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As filed with the Securities and Exchange Commission on April 4, 2011

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM F-1
REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

21Vianet Group, Inc.

(Exact name of Registrant as specified in its charter)

Not Applicable

(Translation of Registrant's name into English)

Cayman Islands	**7370**	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

M5, 1 Jiuxianqiao East Road,
Chaoyang District
Beijing 100016, People's Republic of China
(86 10) 8456-2121

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Law Debenture Corporate Services Inc.
400 Madison Avenue, 4th Floor
New York, New York 10017
(212) 750-6474

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Z. Julie Gao, Esq. **Skadden, Arps, Slate, Meagher & Flom LLP** **c/o 42/F, Edinburgh Tower, The Landmark** **15 Queen's Road Central** **Hong Kong** **(852) 3740-4700**	**Howard Zhang, Esq.** **Davis Polk & Wardwell LLP** **26/F, Twin Towers West, B12** **Jian Guo Men Wai Avenue, Chaoyang District,** **Beijing 100022, PRC** **(8610) 8567-5000**

Approximate date of commencement of proposed sale to the public: as soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed maximum aggregate offering price[(1)(2)]	Amount of registration fee
Class A ordinary shares, par value US$0.00001 per share[(3)]	US$150,000,000	US$17,415

(1) Includes Class A ordinary shares that may be purchased by the underwriters to cover over-allotments, if any. Also includes Class A ordinary shares initially offered and sold outside the United States that may be resold from time to time in the United States either as part of their distribution or within 40 days after the later of the effective date of this registration statement and the date the shares are first bona fide offered to the public. These Class A ordinary shares are not being registered for the purpose of sales outside the United States.

(2) Estimated solely for the purpose of determining the amount of registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended.

(3) American depositary shares issuable upon deposit of the Class A ordinary shares registered hereby will be registered under a separate registration statement on Form F-6 (Registration No. 333-). Each American depositary share represents Class A ordinary shares.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to such Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where such offer or sale is not permitted.

PROSPECTUS (Subject to Completion)
Issued , 2011

American Depositary Shares

世纪互联
www.21vianet.com

21Vianet Group, Inc.

Representing Class A Ordinary Shares

21Vianet Group, Inc. is offering American depositary shares, or ADSs, each representing Class A ordinary shares, par value US$0.00001 per share. This is our initial public offering and no public market currently exists for our ADSs or shares. We anticipate that the initial public offering price of the ADS will be between US$ and US$ per ADS.

We have applied to list our ADSs on the NASDAQ Global Market under the symbol "VNET."

Investing in our ADSs involves risks. See "Risk Factors" beginning on page 13.

PRICE US$ PER ADS

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Company
Per ADS	*US$*	*US$*	*US$*
Total	*US$*	*US$*	*US$*

We have granted the underwriters the right to purchase up to an additional ADSs to cover over-allotments.

Immediately prior to the completion of this offering, our outstanding share capital will consist of Class A ordinary shares and Class B ordinary shares. Holders of Class A ordinary shares and Class B ordinary shares have the same rights except for voting and conversion rights. Each Class A ordinary share is entitled to one vote, and each Class B ordinary share is entitled to ten votes and is convertible at any time into one Class A ordinary share. Immediately after the completion of this offering, our existing shareholders and management will hold 244,515,330 Class B ordinary shares, which represents % of our aggregate voting power, assuming the underwriters do not exercise the over-allotment option.

The Securities and Exchange Commissions and state securities regulators have not approved or disapproved these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the ADSs to purchasers on or about , 2011.

MORGAN STANLEY *BARCLAYS CAPITAL* *J.P. MORGAN*

PIPER JAFFRAY *WILLIAM BLAIR & COMPANY* *PACIFIC CREST SECURITIES*

, 2011

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You should rely only on the information contained in this prospectus or any related free-writing prospectus filed with the Securities and Exchange Commission, or the SEC, in connection with this offering. We have not authorized anyone to provide you with information that is different from that contained in this prospectus or in any free writing prospectus. We are offering to sell, and seeking offers to buy, the ADSs only in jurisdictions where offers and sales are permitted. The information contained in this prospectus or in any filed free writing prospectus is current only as of its date, regardless of the time of its delivery or of any sale of the ADSs.

We have not taken any action to permit a public offering of the ADSs outside the United States or to permit the possession or distribution of the prospectus outside the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about and observe any restrictions relating to the offering of the ADSs and the distribution of the prospectus outside the United States.

Until , 2011 (the 25th day after the date of this prospectus), all dealers that buy, sell or trade ADSs, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before investing in the ADSs, you should carefully read this entire prospectus, including our financial statements and related notes included in this prospectus and the information set forth under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Our Business

We are the largest carrier-neutral Internet data center services provider in China as measured by revenues in 2009, according to data released by International Data Corporation, or IDC, a third-party research firm. We host our customers' servers and networking equipment and provide interconnectivity to improve the performance, availability and security of their Internet infrastructure. We also provide managed network services to enable customers to deliver data across the Internet in a faster and more reliable manner through our extensive data transmission network and our proprietary BroadEx smart routing technology. We believe that the scale of our data center and networking assets positions us well to capture opportunities and become a leader in the rapidly emerging market for cloud computing infrastructure services in China.

Our infrastructure consists of our high-quality data centers and an extensive data transmission network. We operate 47 data centers located in 33 cities throughout China, including all of China's major Internet hubs, with over 5,700 cabinets under management housing over 39,000 servers. Our data transmission network includes more than 260 points of presence, or POPs. A POP refers to an access point from one place to the rest of the Internet. Most of our data centers and all of our POPs are connected by our private optical fibers network across China.

As a carrier-neutral Internet infrastructure services provider, our infrastructure is interconnected with the networks operated by all of China's telecommunications carriers, major non-carriers and local Internet service providers, or ISPs. This interconnectivity enables each of our data centers to function as a network access point for our customers' data traffic and connect all the Internet access providers together. In addition, our proprietary BroadEx smart routing technology allows us to automatically select an optimized route to direct our customers' data traffic to ensure fast and reliable data transmission. We believe this high-level interconnectivity within and beyond our network distinguishes us from our competitors and provides an effective solution to address our customers' needs that arise from inadequate network interconnectivity in China.

We have a diversified and loyal customer base. As of December 31, 2010, we had more than 1,300 customers, including many leading Chinese and global companies operating in China across a broad range of industries. Our customers include Internet companies, government entities, blue-chip enterprises to small- to mid-sized enterprises. Our average monthly churn rate, or customer attrition rate, as measured by monthly recurring revenues was approximately 0.9% in 2010. Our monthly recurring revenue from our top 20 customers in 2010 has increased from RMB7.7 million (US$1.2 million) in January 2009 to RMB18.2 million (US$2.7 million) in December 2010.

Our net revenues increased from RMB240.8 million in 2008, to RMB313.6 million in 2009 and to RMB525.2 million (US$79.6 million) in 2010, representing a compound annual growth rate, or CAGR, of 47.7% from 2008 to 2010. The total number of cabinets under our management increased from 2,787 as of December 31, 2008 to 4,157 as of December 31, 2009 and to 5,750 as of December 31, 2010. Our average monthly recurring revenues increased from RMB20.7 million in 2008 to RMB24.4 million in 2009 and to RMB41.9 million (US$6.3 million) in 2010. We recorded a net profit from continuing operations of RMB10.6 million and RMB60.0 million in 2008 and 2009, respectively. Our net loss from continuing operations in 2010 was RMB234.7 million (US$35.6 million), which reflected share-based compensation expenses of RMB277.9 million (US$42.1 million).

Our Industry

Demand for data center services is growing globally as well as in China. The rapid growth of China's data center services market is primarily driven by the following factors:

- increasing Internet penetration;
- increasing consumption of online media content;
- increasing mobile Internet usage;
- growing IT outsourcing by enterprises; and
- emergence of cloud computing.

Despite the growth of Internet services and applications, the public Internet infrastructure and interconnectivity of networks in China are still inadequate to handle the ever growing bandwidth requirements and data traffic. As a result, businesses are increasingly relying upon Internet infrastructure services providers and in particular, carrier-neutral Internet infrastructure services providers, to enhance and optimize key elements of their IT and network infrastructure.

According to IDC, the data center services market in China was US$667.1 million in 2009, a 22.7% increase over 2008, and is expected to reach US$1.9 billion by 2014, representing a five-year CAGR of 23.8%. Although carrier-operated data centers historically have held dominant positions in the data center services industry in China, the demand for carrier-neutral data center services is rapidly growing. According to IDC, the market share of carrier-neutral data centers in the total data center services market in China increased from 32.1% in 2008 to 35.1% in 2009.

Our Competitive Strengths and Strategies

We believe that the following key competitive strengths have contributed significantly to our success and differentiate us from our competitors:

- leading market position and strong brand recognition;
- premium data centers and extensive interconnected nationwide data transmission network;
- diversified and loyal customer base;
- strong focus on customer satisfaction and technological innovation;
- in-depth industry knowledge with strong research and development capabilities; and
- experienced and stable management team.

Our goal is to strengthen our leadership position in the Internet infrastructure service market in China. We intend to achieve our goal by pursuing the following strategies:

- increase the number of cabinets under management;
- expand and optimize our network;
- broaden our customer base and deepen customer relationships;
- capitalize on the growth opportunities in cloud computing;

- develop a network ecosystem in China; and
- pursue strategic acquisitions, investments and alliances.

Our Challenges

We face risks and uncertainties, including those relating to the following:

- our ability to successfully implement our expansion plan;
- the reliability and quality of our infrastructure or services;
- our competition with, and dependency on, China Telecom and China Unicom for telecommunication resources;
- our ability to renew leases for our data centers on commercially reasonable terms;
- our business expansion, including the acquisition and integration of new businesses;
- our ability to attract new customers and retain existing customers;
- our ability to compete effectively;
- our transition to a publicly traded company;
- our ability to make technological advancements and respond to regulatory changes; and
- the potential demolition and relocation of our data centers due to government mandates.

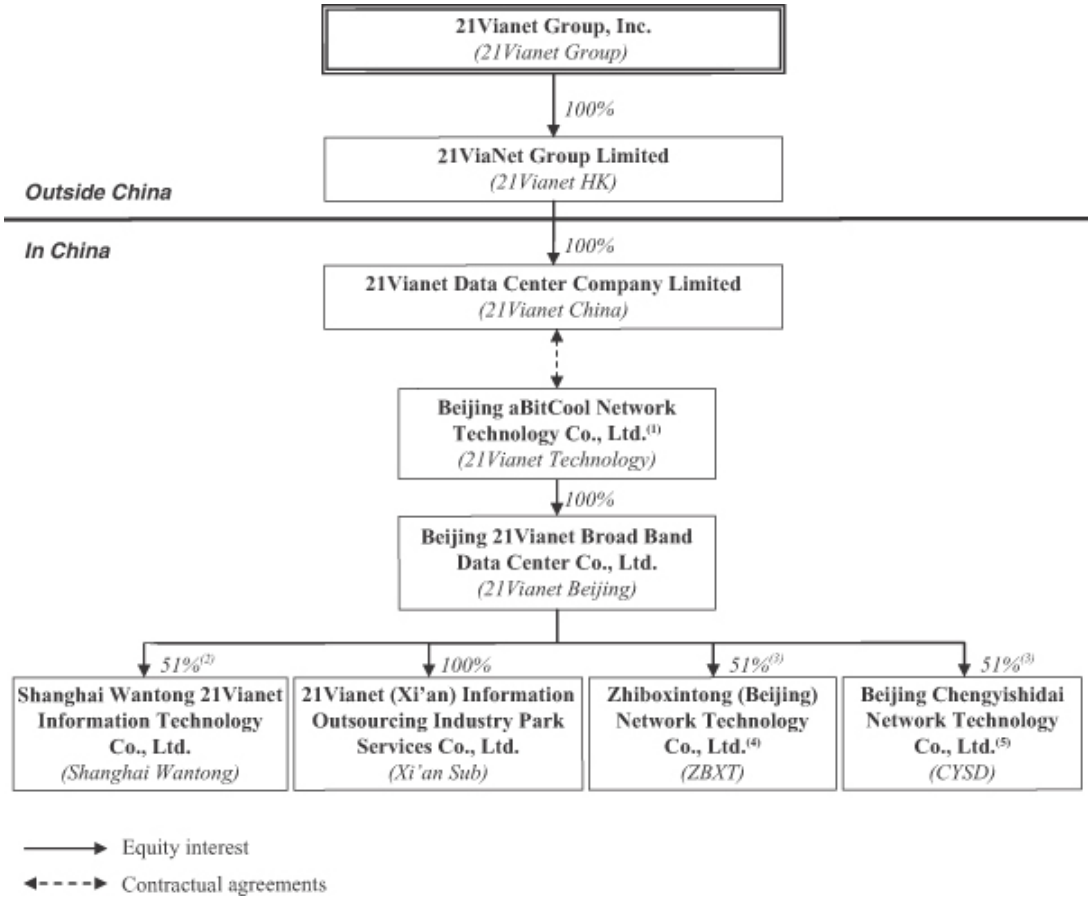
See “Risk Factors” and “Special Note Regarding Forward-Looking Statements” for a discussion of these and other risks and uncertainties associated with our business and investing in our ADSs.

Our Corporate Structure

We commenced operations in 1999, and through a series of corporate restructurings, established a holding company, AsiaCloud Inc., in October 2009 under the laws of the Cayman Islands. AsiaCloud was formerly a wholly-owned subsidiary of aBitCool Inc., a company incorporated under the laws of the Cayman Islands. In October 2010, AsiaCloud effected a repurchase and cancellation of all its outstanding shares held by aBitCool and the issuance of ordinary shares and preferred shares to the shareholders of aBitCool so that they maintained their respective ownership interests in AsiaCloud directly. In connection with the restructuring, AsiaCloud changed its name to 21Vianet Group, Inc.

Due to certain restrictions under PRC law on foreign ownership of entities engaged in data center and telecommunications value-added services, we conduct our operations in China through contractual arrangements among 21Vianet Data Center Company Limited, or 21Vianet China, and Beijing aBitCool Network Technology Co., Ltd., or 21Vianet Technology, and Messrs. Sheng Chen and Jun Zhang, the shareholders of 21Vianet Technology. As a result of these contractual arrangements, we control 21Vianet Technology and have consolidated the financial statements of 21Vianet Technology and its subsidiaries in our consolidated financial statements.

The following diagram illustrates our current corporate structure:



(1) Messrs. Sheng Chen and Jun Zhang, our co-founders, hold approximately 70% and 30% of the equity interests in 21Vianet Technology, respectively, and are parties to the contractual agreements through which we conduct our operations in China.
(2) The remaining 49% of the equity interest in Shanghai Wantong is owned by a company affiliated with the Shanghai government.
(3) We have an option to acquire the remaining 49% of equity interests in ZBXT and CYSD by December 31, 2011.
(4) ZBXT has four subsidiaries in China: Xingyunhengtong Beijing Network Technology Co., Ltd., Fuzhou Yongjiahong Communication Technology Co., Ltd., Beijing Bikonghengtong Network Technology Co., Ltd. and Beijing Bozhiruihai Network Technology Co., Ltd.
(5) CYSD has one subsidiary in China: Jiu Jiang Zhongyatonglian Network Technology Co., Ltd.

Corporate Information

Our principal executive offices are located at M5, 1 Jiuxianqiao East Road, Chaoyang District, Beijing, 100016, the People's Republic of China. Our telephone number at this address is +8610 8456 2121. Our registered office in the Cayman Islands is located at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

Our website is *www.21vianet.com*. The information contained on our website is not a part of this prospectus. Our agent for service of process in the U.S. is Law Debenture Corporate Services Inc., located at 400 Madison Avenue, 4th Floor, New York, New York 10017.

Our Shareholding Structure

As of the date of this prospectus, we have ordinary shares and preferred shares. Immediately prior to the completion of this offering, our ordinary shares will be divided into Class A ordinary shares and Class B ordinary shares. Holders of Class A ordinary shares will be entitled to one vote per share, while holders of Class B ordinary shares will be entitled to ten votes per share. Class A ordinary shares represented by our ADSs will be issued and sold in this offering. Immediately prior to the completion of this offering, all then outstanding ordinary shares and preferred shares will be automatically re-designated as Class B ordinary shares. See "Description of Share Capital-Ordinary Shares" for more detailed description of our Class A ordinary shares and Class B ordinary shares.

After the completion of this offering, our existing shareholders and management will continue to retain a majority of our aggregate voting power due to our dual-class voting structure. Assuming the underwriters do not exercise the over-allotment option, our existing shareholders and management will hold 244,515,330 Class B ordinary shares, representing % of our aggregate voting power, immediately after the completion of this offering. Upon the completion of this offering, our board of directors is expected to consist of five directors, including four existing directors and one independent director that will take office upon the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part. We plan to appoint a second independent director within 90 days of this offering and have a majority independent board within one year of this offering.

THE OFFERING

Offering price	We estimate that the initial public offering price will be between US$ and US$ per ADS.
ADSs offered by us	ADSs.
ADSs outstanding immediately after this offering	ADSs (ADSs if the over-allotment option is exercised in full).
Ordinary shares outstanding immediately after this offering	shares, par value US$0.00001 per share, comprised of (i) Class A ordinary shares and (ii) Class B ordinary shares (Class A ordinary shares in total if the over-allotment option is exercised in full).
Ordinary Shares	Immediately prior to the completion of this offering, our ordinary shares will consist of Class A ordinary shares and Class B ordinary shares. Holders of Class A ordinary shares and Class B ordinary shares have the same rights except for voting and conversion rights. In respect of matters requiring a shareholders' vote, each Class A ordinary share is entitled to one vote, and each Class B ordinary share is entitled to ten votes. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof. Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Upon any transfer of Class B ordinary shares by a holder thereof to any person or entity which is not an affiliate of such holder, such Class B ordinary shares will be automatically converted into an equal number of Class A ordinary shares.
Over-allotment option	We have granted the underwriters an option, which is exercisable within 30 days from the date of this prospectus, to purchase up to an aggregate of additional ADSs at the initial public offering price, less underwriting discounts and commissions.
The ADSs	Each ADS represents Class A ordinary shares, par value US$0.00001 per share. The depositary will be the holder of the Class A ordinary shares underlying your ADSs and you will have rights as provided in the deposit agreement among us, the depositary and all holders and beneficial owners of ADSs from time to time. Although we do not expect to pay dividends in the foreseeable future, if we declare dividends on our Class A ordinary shares, the depositary will pay you the cash dividends and other distributions it receives on our Class A ordinary shares, after deducting its fees and expenses and subject to the terms and conditions set forth in the deposit agreement.

	You may turn in your ADSs to the depositary in exchange for the Class A ordinary shares underlying your ADSs. The depositary will charge you fees for any exchange. We may amend or terminate the deposit agreement without your consent, and if you continue to hold your ADSs, you agree to be bound by the deposit agreement as amended. You should carefully read the section in this prospectus entitled "Description of American Depositary Shares" to better understand the terms of the ADSs. You should also read the deposit agreement, which is an exhibit to the registration statement that includes this prospectus.
Use of proceeds	Our net proceeds from this offering are expected to be approximately US$ million, or approximately US$ million if the underwriters exercise their over-allotment option to purchase additional ADSs in full, assuming an initial public offering price of US$ per ADS, which is the midpoint of the estimated range of the initial public offering price, after deducting underwriting discounts and commissions and the estimated offering expenses payable by us. We anticipate using the proceeds as follows: • approximately US$ million to expand our data center infrastructure; • approximately US$ million to expand our network infrastructure; and • the remaining amount to fund working capital and for other general corporate purposes, including research and development, and strategic investments in, and acquisitions of, complementary businesses.
Listing	We have applied to have the ADSs listed on the NASDAQ Global Market.
Proposed NASDAQ Global Market symbol	VNET
Depositary	Citibank, N.A.
Lock-up	We, our directors, executive officers, existing shareholders and certain of our option holders have agreed with the underwriters not to sell, transfer or otherwise dispose of any of our ordinary shares or ADSs representing our ordinary shares for 180 days after the date of this prospectus. In addition, we have instructed Citibank N.A., as depositary, not to accept any deposit of any ordinary shares or issue any ADSs for 180 days after the date of this prospectus (other than in connection with this offering), unless we instruct the depositary otherwise. See "Underwriting."
Reserved ADSs	At our request, the underwriters have reserved for sale, at the initial public offering price, up to an aggregate of ADSs offered in this offering to some of our directors, officers, employees, business associates and related persons through a directed share program.

Risk factors	See "Risk Factors" and other information included in this prospectus for a discussion of risks you should carefully consider before investing in our ADSs.

The number of ordinary shares that will be outstanding immediately after this offering:

- assumes no exercise of the underwriters' over-allotment option to purchase additional ADSs;
- assumes the conversion of all outstanding preferred shares into Class B ordinary shares immediately prior to the completion of this offering;
- excludes Class A ordinary shares issuable upon the exercise of options outstanding as of under our 2010 share incentive plan, as amended, at a weighted average exercise price of approximately US$ per ordinary share;
- excludes 36,585,630 Class A ordinary shares reserved for future issuance under our 2010 share incentive plan; and
- gives effect to a 10-for-1 share split that became effective on March 31, 2011.

SUMMARY CONSOLIDATED FINANCIAL DATA AND OPERATING DATA

You should read the following information concerning us in conjunction with our consolidated financial statements and related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

Our summary consolidated financial data presented below for the years ended December 31, 2008, 2009 and 2010 and our balance sheet data as of December 31, 2009 and 2010 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. Our balance sheet data as of December 31, 2008 have been derived from our audited financial statements not included in this prospectus. Our audited consolidated financial statements are prepared in accordance with the accounting principles generally accepted in the United States of America, or U.S. GAAP. Our historical results are not necessarily indicative of our results for future periods.

	For the Year Ended December 31,			
	2008	2009	2010	
	RMB	RMB	RMB	US$
	(in thousands, except share, per share data)			
Consolidated Statement of Operations Data:				
Net revenues				
Hosting and related services	213,181	284,780	374,946	56,810
Managed network services	27,590	28,855	150,257	22,766
Total net revenues	240,771	313,635	525,203	79,576
Cost of revenues[1]	(174,598)	(229,304)	(396,858)	(60,130)
Gross profit	66,173	84,331	128,345	19,446
Operating expenses:				
Sales and marketing expenses[1]	(21,125)	(24,132)	(51,392)	(7,787)
General and administrative expenses[1]	(31,823)	(25,457)	(282,298)	(42,772)
Research and development costs[1]	(5,858)	(7,607)	(19,924)	(3,019)
Changes in the fair value of contingent purchase consideration payable	—	—	(7,537)	(1,142)
Operating profit (loss)	7,367	27,135	(232,806)	(35,274)
Net profit (loss) from continuing operations	10,608	59,981	(234,715)	(35,563)
Loss from discontinued operations	(28,566)	(63,910)	(12,952)	(1,962)
Net loss	(17,958)	(3,929)	(247,667)	(37,525)
Net loss attributable to non-controlling interest	(295)	(1,990)	(7,722)	(1,170)
Net loss attributable to ordinary shareholders	(18,253)	(5,919)	(255,389)	(38,695)
Earning (loss) per share:				
Net profit (loss) from continuing operations	0.14	0.18	(3.39)	(0.51)
Loss from discontinued operations	(0.40)	(0.89)	(0.18)	(0.03)
Basic	(0.26)	(0.08)	(3.57)	(0.54)
Net profit (loss) from continuing operations	0.06	0.32	(3.39)	(0.51)
Loss from discontinued operations	(0.16)	(0.35)	(0.18)	(0.03)
Diluted	(0.10)	(0.03)	(3.57)	(0.54)
Shares used in earning (loss) per share computation:				
Basic	71,526,320	71,526,320	71,526,320	71,526,320
Diluted	182,492,500	182,492,500	71,526,320	71,526,320
Non-GAAP Financial Data:[2]				
Adjusted gross profit	68,505	86,478	141,990	21,514
Adjusted net profit	7,666	24,902	59,454	9,008
EBITDA	22,546	48,110	(201,761)	(30,570)
Adjusted EBITDA	22,546	48,110	83,657	12,675

(1) Includes share-based compensation expenses as follows:

	For the Year Ended December 31,			
	2008 RMB	2009 RMB	2010 RMB	2010 US$
			(in thousands)	
Allocation of share-based compensation expenses:				
Cost of revenues	—	—	4,645	704
Sales and marketing expenses	—	—	11,884	1,801
General and administrative expenses	—	—	254,936	38,626
Research and development costs	—	—	6,416	972
Total share-based compensation expenses	—	—	277,881	42,103

(2) See "—Non-GAAP Financial Measures."

The following table presents certain selected operating data as of and for the dates and periods indicated.

	As of and for the Year Ended December 31,		
	2008	2009	2010
Selected Operating Data:			
Number of cabinets at period end	2,787	4,157	5,750
Average monthly recurring revenues (RMB in thousands)	20,731	24,363	41,884
Number of customers at period end	1,224	1,225	1,355
Churn rate as measured by monthly recurring revenues	3.3%	0.8%	0.9%

The following table presents a summary of our consolidated balance sheet data as of December 31, 2008, 2009 and 2010.

	As of December 31,					
	2008 RMB	2009 RMB	2010 RMB	2010 US$	2010 US$ Pro forma(1)	2010 US$ Pro forma as adjusted(2)
			(in thousands)			
Consolidated Balance Sheet Data:						
Cash and cash equivalents	75,338	71,998	83,256	12,615		
Accounts receivable	39,814	40,262	76,373	11,572		
Total current assets	133,522	213,838	193,957	29,388		
Property and equipment, net	93,308	99,103	197,015	29,851		
Intangible assets	22,830	17,161	157,086	23,801		
Goodwill	12,507	12,507	170,171	25,784		
Total assets	263,067	347,123	725,587	109,939		
Total current liabilities	272,824	315,734	210,559	31,903		
Total liabilities	307,912	326,929	444,004	67,274		
Total mezzanine equity	991,110	991,110	991,110	150,168		
Total shareholders' (deficit) equity	(1,035,955)	(970,916)	(709,527)	(107,503)		

Notes: (1) The pro forma consolidated balance sheet data as of December 31, 2010 has been adjusted to give effect to (A) the issuance of a total of 37,196,750 Series C1 preferred shares on January 14, 2011 and February 17, 2011, with net proceeds of US$35.0 million and (B) the automatic conversion of all of our outstanding ordinary shares and preferred shares into Class B ordinary shares immediately prior to completion of this offering.

(2) The pro forma as adjusted consolidated balance sheet data as of December 31, 2010 has been adjusted to give effect to (A) the pro forma adjustments as set forth in (1) above and (B) the issuance and sale of Class A ordinary shares in the form of ADSs by us in this offering, at the initial public offering price of US$ per ADS, the mid-point of the estimated range of the initial public offering price shown on the front cover of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

Non-GAAP Financial Measures

In evaluating our business, we consider and use the following non-GAAP measures as supplemental measures to review and assess our operating performance: adjusted gross profit, adjusted net profit, EBITDA and adjusted EBITDA. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with U.S. GAAP. We define adjusted gross profit as gross profit excluding share-based compensation expenses and amortization expenses of intangible assets related to acquisitions. We define adjusted net profit as net profit (loss) from continuing operations excluding share-based compensation expenses, amortization expenses of intangible assets derived from acquisitions, changes in the fair value of contingent purchase consideration payable and unrecognized tax benefits, tax incentive receipt and outside basis difference. We define EBITDA as net profit (loss) from continuing operations before income tax expense (benefit), foreign exchange gain, other expenses, other income, interest expense, interest income and depreciation and amortization. We define adjusted EBITDA as EBITDA excluding share-based compensation expenses and changes in the fair value of contingent purchase consideration payable.

We believe that the use of these non-GAAP measures facilitates investors' assessment of our operating performance from period to period and from company to company by backing out potential differences caused by variations in items such as capital structures (affecting relative interest expenses), the book amortization of intangibles (affecting relative amortization expenses), the age and book value of property and equipment (affecting relative depreciation expenses) and other non-cash expenses (affecting share-based compensation expenses). We also present these non-GAAP measures because we believe these non-GAAP measures are frequently used by securities analysts, investors and other interested parties as measures of the financial performance of companies in our industry.

These non-GAAP financial measures are not defined under U.S. GAAP and are not presented in accordance with U.S. GAAP. These non-GAAP financial measures have limitations as analytical tools, and when assessing our operating performance, investors should not consider them in isolation, or as a substitute for net income (loss) or other consolidated statements of operation data prepared in accordance with U.S. GAAP. Some of these limitations include, but are not limited to:

- they do not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, our working capital needs;
- they do not reflect the interest expenses, or the cash requirements necessary to service interest or principal payments, on our debt;
- they do not reflect income taxes or the cash requirements for any tax payments;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized often will have to be replaced in the future, and adjusted net profit, EBITDA and adjusted EBITDA do not reflect any cash requirements for such replacements;
- while share-based compensation is a component of cost of revenues and operating expenses, the impact to our consolidated financial statements compared to other companies can vary significantly due to such factors as assumed life of the options and assumed volatility of our ordinary shares; and

- other companies may calculate adjusted gross profit, adjusted net profit, EBITDA and adjusted EBITDA differently than we do, limiting the usefulness of these non-GAAP measures as comparative measures.

We compensate for these limitations by relying primarily on our U.S. GAAP results and using adjusted gross profit, adjusted net profit, EBITDA and adjusted EBITDA only as supplemental measures. Our adjusted gross profit, adjusted net profit, EBITDA and adjusted EBITDA are calculated as follows for the periods presented:

	For the Year Ended December 31,			
	2008	2009	2010	
	RMB	RMB	RMB	US$
	(in thousands)			
Gross profit	66,173	84,331	128,345	19,446
Plus: share-based compensation expenses	—	—	4,645	704
Plus: amortization expenses of intangible assets derived from acquisitions	2,332	2,147	9,000	1,364
Adjusted gross profit	**68,505**	**86,478**	**141,990**	**21,514**
Net profit (loss) from continuing operations	10,608	59,981	(234,715)	(35,563)
Plus: share-based compensation expenses	—	—	277,881	42,103
Plus: amortization expenses of intangible assets derived from acquisitions	2,332	2,147	9,000	1,364
Plus: changes in the fair value of contingent purchase consideration payable	—	—	7,537	1,142
Less: unrecognized tax benefits, tax incentive receipt and outside basis difference	(5,274)	(37,226)	(249)	(38)
Adjusted net profit	**7,666**	**24,902**	**59,454**	**9,008**
Net profit (loss) from continuing operations	10,608	59,981	(234,715)	(35,563)
Plus: income tax expense (benefit)	3,821	(32,860)	1,588	241
Less: foreign exchange gain	(5,545)	(88)	(1,646)	(249)
Plus: other expenses	1,123	1,207	906	137
Less: other income	(2,294)	(694)	(1,152)	(175)
Plus: interest expense	1,297	416	2,793	423
Less: interest income	(1,643)	(827)	(580)	(88)
Plus: depreciation	12,263	15,990	19,673	2,981
Plus: amortization	2,916	4,985	11,372	1,723
EBITDA	**22,546**	**48,110**	**(201,761)**	**(30,570)**
Plus: share-based compensation expenses	—	—	277,881	42,103
Plus: changes in the fair value of contingent purchase consideration payable	—	—	7,537	1,142
Adjusted EBITDA	**22,546**	**48,110**	**83,657**	**12,675**

RISK FACTORS

An investment in our ADSs involves significant risks. You should consider carefully all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in our ADSs. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the market price of our ADSs could decline, and you may lose all or part of your investment.

Risks Related to Our Business and Industry

We may not be able to successfully implement our expansion plan.

We plan to further increase our services capacities. We plan to increase the aggregate number of cabinets under our management from 5,750 cabinets as of December 31, 2010 to more than 10,000 cabinets by the end of 2013 through adding new self-built data centers and partnered data centers. In addition, we plan to expand our private optical fibers network to cover all of our major data centers throughout China and plan to increase our network services capacity from over 295 gigabytes per second presently to over 1,000 gigabytes per second by the end of 2013. To achieve this expansion plan, we will be required to commit a substantial amount of operating and financing resources. Our planned capital expenditures, together with our ongoing operating expenses, will cause substantial cash outflows. If we are not able to generate sufficient operating cash flows or obtain third-party financings, our ability to fund our expansion plan may be limited. Additional debt or equity financing may not be available when needed or, if available, may not be available on satisfactory terms. Our inability to obtain additional debt and/or equity financing 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 addition, site selection is a critical factor in our expansion plans, and there may not be suitable properties available with the necessary combination of high power capacity and fiber connectivity. Moreover, we may not have sufficient customer demand in the markets where our data centers are located. We may overestimate the demand for our services and as a result may increase our data center capacity or expand our Internet network more aggressively than needed, resulting in a negative impact to our gross profit margins. Furthermore, the costs of construction and maintenance of new data centers constitute a significant portion of our capital resources and operating expenses. If our planned expansion does not achieve the desired results, our operating margins could be materially reduced, which would materially impair our profitability and adversely affect our business and results of operations.

Any significant or prolonged failure in our infrastructure or services would lead to significant costs and disruptions and would reduce our revenue, harm our business reputation and have a material adverse effect on our financial results.

Our data centers, power supplies and network are subject to failure, and problems with the cooling equipment, generators, backup batteries, routers, switches, or other equipment, whether or not within our control, could result in service interruptions and data losses for our customers as well as equipment damage. Our customers locate their computing and networking equipment in our data centers, and any significant or prolonged failure in our infrastructure or services could significantly disrupt the normal business operations of our customers and harm our reputation and reduce our revenue. While we offer data backup services and disaster recovery services, which could mitigate the adverse effects of such a failure, most of our customers do not subscribe for these services. Accordingly, any failure or downtime in one of our data center facilities could affect many of our customers. The total destruction or severe impairment of any of our data center facilities could result in significant downtime of our services and 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. The services we provide are subject to failures resulting from numerous factors, including:

- equipment failure;

- power outages;
- human error or accidents;
- network connectivity downtime;
- physical, electronic and cyber security breaches;
- fire, earthquake, hurricane, tornado, flood and other natural disasters;
- extreme temperatures;
- water damage;
- public health emergencies;
- fiber cuts;
- terrorist attacks; and
- theft, sabotage and vandalism.

While we have not experienced any material interruptions in the past, services interruptions continue to be a significant risk for us and could materially impact our business.

Any future services interruptions could:

- require us to waive fees for the month or provide free services in the following month;
- cause our customers to seek damages for losses incurred;
- require us to replace existing equipment or add redundant facilities;
- cause existing customers to cancel or elect not to renew their contracts;
- affect our reputation as a reliable provider of data center services; or
- make it more difficult for us to attract new customers or cause us to lose market share.

Any of these events could materially increase our expenses or reduce our revenue, which would have a material adverse effect on our operating results.

We compete with, and our business substantially depends on, China Telecom and China Unicom for hosting facilities and other telecommunication resources.

Our business depends on our relationships with China Telecom and China Unicom, two major telecommunications carriers in China, for hosting facilities and bandwidth, and to some extent, for optical fibers. We directly enter into agreements with the local subsidiaries of China Telecom or China Unicom, where we lease some or all of the cabinets in the data centers built and operated by them, with power systems, cabling and wiring and other data center equipment pre-installed. Because each local subsidiary of China Telecom or China Unicom has independent legal power to execute contracts, our contract terms with these subsidiaries vary and are determined on a case-by-case basis. During the past two years, we have entered into 35 agreements with 35 subsidiaries of China Telecom or China Unicom. We generally refer to this type of data centers as our “partnered” data centers. As of December 31, 2010, we leased 3,105 cabinets from China Telecom and China Unicom that are housed in our 44 partnered data centers, accounting for 54.0% of the total number of our cabinets under management. We also rely on China Telecom and China Unicom for a significant portion of our bandwidth needs and lease optical fibers from them to connect our data centers with each other and with the telecommunications backbones and other ISPs. Our agreements with affiliates of China Telecom or China Unicom usually have a one-year term with automatic renewal option. In addition, China Telecom and China Unicom also provide data center services and directly compete with us for customers. See “—We may not be able to compete effectively against our current and future competitors.” We believe that we have good business

relationships with China Telecom and China Unicom, and we have access to adequate hosting facilities, bandwidth and optical fibers to provide our services. However, there can be no assurance that we will be able to secure hosting facilities and bandwidth from China Telecom and China Unicom on commercially acceptable terms, or at all. As a result, our business and results of operations would be materially and adversely affected.

Our leases for data centers could be terminated early, we may not be able to renew our existing leases on commercially reasonable terms, and our rent could increase substantially in the future, which could materially and adversely affect our operations.

We lease buildings with suitable power supplies and safe structures meeting our data center requirements and convert them into data centers by installing power generators, air conditioning systems, cables, cabinets and other equipment. We generally refer to this type of data centers as "self-built" data centers. Our operating leases generally have three to ten year lease terms with renewal options. As of December 31, 2010, our self-built data centers have 2,645 cabinets, or 46.0% of the total number of our cabinets under our management. We plan to renew our existing leases upon expiration. However, we may not be able to renew these leases on commercially reasonable terms, if at all. We may experience an increase in our rent payments. If any such event happens, we may have to relocate our data center equipment and the servers and equipments of our customers to a new building and incur significant expenses related to relocation. Any relocation could also affect our ability to provide services and harm our reputation. As a result, our business and results of operations could be materially and adversely affected.

Difficulties in identifying, consummating and integrating acquisitions and potential write-off in connection with acquisitions may have a material and adverse effect on our business and results of operations.

As part of our growth strategy, we have acquired, and may in the future acquire, companies that are complementary to our business. For instance, in September 2010, we acquired 51% equity interests in two companied that provide managed network services in China, Beijing Chengyishidai Network Technology Co., Ltd. and Zhiboxintong (Beijing) Network Technology Co., Ltd., which we collectively refer to as "Managed Network Entities," with the option to acquire the remaining 49% equity interests in the Managed Network Entities before December 31, 2011. Past and future acquisitions may expose us to potential risks, including risks associated with:

- the integration of new operations and the retention of customers and personnel;
- unforeseen or hidden liabilities;
- the diversion of resources from our existing business and technology;
- failure to achieve synergies with our existing business as anticipated;
- failure of the newly acquired businesses, technologies, services and products to perform as anticipated;
- inability to generate sufficient revenue to offset additional costs;
- the costs of acquisitions; or
- the potential loss of or harm to relationships with both our employees and customers resulting from our integration of new businesses.

Any of the potential risks listed above could have a material and adverse effect on our ability to manage our business and our results of operation.

In addition, we record goodwill if the purchase price we pay in the acquisitions exceeded the amount assigned to the fair value of the assets or business acquired. We are required to test our goodwill and intangible

assets for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. We may record impairment of goodwill and acquired intangible assets in connection with our acquisitions if the carrying value of our acquisition goodwill and related acquired intangible assets in connection with our past or future acquisitions, including our acquisition of Managed Network Entities, are determined to be impaired. We cannot assure the acquired businesses, technologies, services and products from our past acquisitions, including our acquisition of Managed Network Entities, and any potential transaction will generate sufficient revenue to offset the associated costs or other potential harmful effects on our business. Furthermore, we may need to raise additional debt or sell additional equity or equity-linked securities to make or complete such acquisitions. See "Risks Related to Our Business and Industry—We may require additional capital to meet our future capital needs, which could adversely affect our financial position and result in additional shareholder dilution."

We may not be able to continue to increase sales to our existing customers and add new customers, which would adversely affect our operating results.

Our growth depends on our ability to continue to expand our service offerings to existing customers and attract new customers. We may be unable to sustain our growth for a number of reasons, such as:

- capacity constraints;
- inability to identify new locations to build new data centers;
- inability to secure reliable data centers for cooperation or lease;
- reduction in the demand for our services due to economic downturn or our customers' decision to develop data center services in-house;
- inability to effectively and efficiently market our services to new customers;
- inability to expand our sales to existing customers; and
- reliability, quality or compatibility problems with our services.

A substantial amount of our past revenues were derived from service upgrades by existing customers. Our costs associated with increasing revenues from existing customers are generally lower than costs associated with generating revenues from new customers. Therefore, slowing revenue growth or declining revenues from our existing customers, even if offset by an increase in revenues from new customers, could reduce our operating margins. Any failure by us to continue attracting new customers or grow our revenues from existing customers for a prolonged period of time could have a material adverse effect on our operating results.

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

We face competition from various industry players, including carriers such as China Telecom and China Unicom, carrier-neutral service providers in China such as ChinaNetCenter and Dnion Technology, and the in-house data centers of major corporations, as well as new market entrants in the future. Competition is primarily centered on the quality of service and technical expertise, security reliability and functionality, reputation and brand recognition, financial strength, the breadth and depth of services offered, and price. Some of our current and future competitors have substantially greater financial, technical and marketing resources, greater brand recognition, and more established relationships in the industry than we do. As a result, some of these competitors may be able to:

- adapt to new or emerging technologies and changes in customer requirements more quickly;
- bundle and provide services at reduced prices;
- respond more quickly to acquisition and investment opportunities;

- adopt more aggressive pricing policies and devote greater resources to the promotion, marketing and sales of their services; and
- devote greater resources to research and development.

If we are unable to compete effectively and successfully against our current and future competitors, our business prospects, financial condition and results of operations could be materially and adversely affected.

We depend on third-party suppliers for key elements of our network infrastructure.

To provide high performance connectivity services to our customers through our network access points, we purchase connections from several network service providers, primarily China Telecom and China Unicom. We can offer no assurances that these service providers will continue to provide service to us on a cost-effective basis or on otherwise competitive terms, if at all, or that these providers will provide us with additional capacity to adequately meet customer demand or to expand our business. Any of these could limit our growth prospects and materially and adversely affect our business.

We also depend on third parties for optical fibers for our data transmission network. We offer no assurance that we will be able to maintain a good relationship with our fiber suppliers or renew our leases on commercially reasonably terms, if at all. Any occurrence of these events or others could materially and adversely affect our ability to provide services and affect our business and results of operations.

In addition, we currently purchase routers, switches and other equipment from a limited number of vendors. We do not carry significant inventories of the products we purchase, and we have no guaranteed supply arrangements with our vendors. The loss of a significant vendor could delay any build-out of our infrastructure and increase our costs. If our suppliers fail to provide products or services that comply with evolving Internet standards or that interoperate with other products or services we use in our network infrastructure, then we may be unable to meet all or a portion of our customer service commitments, which could materially and adversely affect our results.

We may be vulnerable to security breaches to both our self-built and partnered data centers, which could disrupt our operations and have a material adverse effect on our business, financial performance and operating results.

A party who is able to compromise the security measures of our data centers and networks or the security of our infrastructure could misappropriate either our proprietary information or the information of our customers, or cause interruptions or malfunctions in our operations. In addition, we have less control over our partnered data centers, which are operated by China Telecom or China Unicom. We may be required to expend significant capital and resources to protect against such threats or to alleviate problems caused by breaches in security. As techniques used to breach security change frequently, and are generally not recognized until launched against a target, we may not be able to implement security measures in a timely manner or, if and when implemented, we may not be certain whether these measures could be circumvented. Any breaches that may occur could expose us to increased risk of lawsuits, regulatory penalties, 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 financial performance and operating results.

Increased telecommunication costs may adversely affect our operating results.

Our success depends in part upon the capacity, reliability, and performance of our network infrastructure, including the capacity leased from our Internet bandwidth suppliers, which are primarily China Telecom and China Unicom. We depend on these companies to provide us with uninterrupted and error-free services through their telecommunications networks. However, some of these providers are also our competitors and we exercise

little control over our bandwidth suppliers. In addition, we have experienced and expect to continue to experience interruptions or delays in network services. Any failure on our part or the part of our third-party suppliers to achieve or maintain high data transmission capacity, reliability or performance could significantly reduce customer demand for our services and damage our business and reputation.

As our customer base grows and their usage of telecommunications capacity increases, we may be required to make additional investments in our capacity to maintain adequate data transmission speeds. The availability of such capacity may be limited or the cost may be on terms unacceptable to us. If adequate capacity is not available to us as our customers' usage increases, our network may be unable to achieve or maintain sufficiently high data transmission capacity, reliability or performance. In addition, our operating margins will suffer if our bandwidth suppliers increase the prices for their services and we are unable to pass along the increased costs to our customers.

If we are unable to meet our customers' requirements, our reputation and operating results could suffer.

Our agreements with our customers contain certain guarantees regarding our performance. For hosting services, we guarantee 99.99% uptime for power and 99.9% uptime for network connectivity, failure of which will cause us to provide free service for the following month. Although we have not had any material customer claims for power failures or network disconnections, our success depends on our ability to meet or exceed our customers' expectations. We have not had any major customer service issues in the past. However, if in the future we are unable to provide customers with quality customer support in a variety of areas, we could face customer dissatisfaction, decreased overall demand for our services, and loss of 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 operating results.

We rely on customers in the Internet sector for most of our revenues.

We derived more than 70% of our revenues in 2010 from customers in China's Internet sector, including portals, search engines, online media, e-commerce and online game companies. The business models of these Internet companies are relatively new and have not been well proven. Many Internet companies base their business prospects on the continued growth of China's Internet market, which may not happen as expected. In addition, our business would suffer if companies in China's Internet sector reduce the outsourcing of their data center services. If any of these events happen, we may lose customers or have difficulties in selling our services, which would materially and adversely affect our business and results of operations.

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

We will require significant capital expenditures to fund our future growth. We may need to raise additional funds through equity or debt financings in the future in order to meet our operating and capital needs. 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 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.

Increased power costs and limited availability of electrical resources may adversely affect our operating results.

Costs of power account for a significant portion of our costs for both our self-built data centers and partnered data centers. We may not be able to pass on increased power costs to our customers, which could harm our results of operations. Power and cooling requirements at our data centers are also increasing as a result of the

increasing power demands of today's servers. Since we rely on third parties to provide our data centers with power sufficient to meet our customers' power needs, our data centers could have a limited or inadequate access to electricity. Our customers' demand for power may also exceed the power capacity in our older data centers, which may limit our ability to fully utilize these data centers. This could adversely affect our relationships with our customers, which could harm our business and have an adverse effect on our results of operations.

If we are unable to manage our growth effectively, our financial results could suffer.

The growth of our business and our service offerings may strain our operating and financial resources. Furthermore, we intend to continue expanding our overall business, customer base, headcount, and operations. Managing a geographically dispersed workforce requires substantial management effort and significant additional investment in our operating and financial system capabilities and controls. If our information systems are unable to support the demands placed on them by our growth, we may need to implement new systems which would be disruptive to our business. We may be unable to manage our expenses effectively in the future due to the expenses associated with these expansions, which may negatively impact our gross margins or operating expenses. If we fail to improve our operational systems or to expand our customer service capabilities to keep pace with the growth of our business, we could experience customer dissatisfaction, cost inefficiencies, and lost revenue opportunities, which may materially and adversely affect our operating results.

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. We could also incur substantial costs if we need to modify our services or infrastructure in order to adapt to these changes. We may not be able to timely adapt to changing technologies, if at all. Our ability to sustain and grow our business would suffer if we fail to respond to these changes in a timely and cost-effective manner. New technologies or industry standards have the potential to replace or provide lower cost alternatives to our data center services. The adoption of such new technologies or industry standards 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 products and 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 products and services to market, those new products and services may need to be made available at lower price points 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 service alternative products and services that have lower price points than current offerings may result in our existing customers switching to the lower cost products, which could reduce our revenue and have a material adverse effect of our operating results.

If we fail to maintain a strong brand name and protect our brand name from dilution, we may lose our existing customers and have difficulties retaining new customers, which may have an adverse effect on our business and results of operation.

We have enjoyed a strong brand name in Chinese, " 世纪互联," among our customers. As our business grows, we plan to continue to focus our efforts to establish a wider recognition of our brand to attract potential customers. We cannot assure you that we will effectively allocate our resources for these activities or succeed in maintaining and broadening our brand recognition among the customers. Our major brand names and logos are registered trademarks in China. However, preventing trademark and trade name infringement or misuse could be difficult, costly and time-consuming, particularly in China. There had been incidents in the past where third parties used our brand without our authorization and we had to resort to litigation to protect our intellectual

property rights. We may continue to experience similar disputes in the future or otherwise fail to fully protect our brand name, which may have an adverse effect on our business and financial results.

Rapid urbanization and changes in zoning and urban planning in China may cause our leased properties to be demolished, removed or otherwise affected.

China is undergoing a rapid urbanization process, and zoning requirements and other governmental mandates with respect to urban planning of a particular area may change from time to time. When there is a change in zoning requirements or other governmental mandates with respect to the areas where our data centers are located, the affected data centers may need to be demolished and removed. As a result, we may have to relocate our data centers to other locations. We have not experienced such demolition and relocation in the past, but we cannot assure you that we will not experience demolitions or interruptions of our data center operations due to zoning or other local regulations. Any such demolition and relocation could cause us to lose primary locations for our data centers and we may not be able to achieve comparable operation results following the relocations. While we may be reimbursed for such demolition and relocation, we cannot assure you that the reimbursement, as determined by the relevant government authorities, will be sufficient to cover our direct and indirect losses. Accordingly, our business, results of operations and financial condition may be materially and adversely affected.

Our business depends substantially on the continuing efforts of our executives, and our business may be severely disrupted if we lose their services.

Our future success heavily depends upon the continued services of our executives and other key employees. In particular, we rely on the expertise and experience of Sheng Chen, our co-founder, chairman and chief executive officer, and Jun Zhang, our co-founder and chief operating officer. We rely on their industry expertise, their experience in our business operations and sales and marketing, and their working relationships with our employees, our other major shareholders, our clients and relevant government authorities. If one or more of our senior executives were unable or unwilling to continue in their present positions, we might not be able to replace them easily or at all. If any of our senior executives joins a competitor or forms a competing company, we may lose clients, suppliers, key professionals and staff members. Each of our executive officers has entered into an employment agreement with us, which contains non-competition provisions. However, if any dispute arises between our executive officers and us, we cannot assure you the extent to which any of these agreements could be enforced in China, where these executive officers reside, in light of the uncertainties with China's legal system. See "—Risks Related to Doing Business in China—Uncertainties with respect to the PRC legal system could limit the legal protections available to you and us."

If we are unable to recruit or retain qualified personnel, our business could be harmed.

We must continue to identify, hire, train, and retain IT professionals, technical engineers, operations employees, and sales and management personnel who maintain relationships with our customers and who can provide the technical, strategic, and marketing skills required for our company to grow. There is a shortage of qualified personnel in these fields, and we compete with other companies for the limited pool of these personnel. Any failure to recruit and retain necessary technical, managerial, sales, and marketing personnel, including but not limited to members of our executive team, could harm our business and our ability to grow our company.

The uncertain economic environment may continue to have an 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 further increase our allowance for doubtful accounts and our

results would be negatively impacted. Our sales cycle could also be lengthened if customers slow spending, or delay decision-making, on our products and services, which could adversely affect our revenues growth and our ability to recognize revenue. Finally, 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 capital markets may be severely restricted at a time when we would like, or need, to do so which could have an impact on our flexibility to pursue additional expansion opportunities and maintain our desired level of revenue growth in the future.

Our operating results may fluctuate, which could make our future results difficult to predict and could cause our operating results to 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. As a result, comparing our operating results on a period-to-period basis may not be meaningful. You should not rely on our operating results for any prior periods as an indication of our future operating performance. Fluctuations in our 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 revenue. Given relatively fixed operating costs related to our personnel and facilities, any substantial adjustment to our expenses to account for lower than expected levels of revenue will be difficult and time consuming. Consequently, if our revenue does not meet projected levels, our operating performance will be negatively affected. If our revenue or operating results do not meet or exceed the expectations of investors or securities analysts, the price of our ADSs may decline.

In preparing our consolidated financial statements, we have identified a material weakness and other control deficiencies in our internal control over financial reporting. If we fail to maintain an effective system of internal control over financial reporting, we may be unable to accurately report our financial results or prevent fraud, and investor confidence in our company and the market price of our ADSs may be adversely affected.

We will be subject to reporting obligations under the U.S. securities laws after this offering. Our reporting obligations as a public company will place a significant strain on our management, operational and financial resources and systems for the foreseeable future. Prior to this offering, we have been a private company with limited accounting personnel and other resources for addressing our internal controls over financial reporting. In connection with the audit of our consolidated financial statements included in this prospectus, we and our independent registered public accounting firm identified one “material weakness” and certain other deficiencies in our internal controls over financial reporting. As defined in the standards established by the Public Company Accounting Oversight Board of the United States, a “material weakness” is a deficiency, or a combination of deficiencies, in internal controls over financial reporting such that there is a reasonable possibility that a material misstatement of the company’s annual or interim financial statements will not be prevented or detected on a timely basis. The material weakness identified related to our lack of adequate resources with the requisite U.S. GAAP and SEC financial accounting and reporting expertise to support the accurate and timely assembly and presentation of our consolidated financial statements and related disclosures.

Following the identification of the material weakness and other control deficiencies, we have taken the following remedial measures to improve our internal control over financial reporting: (1) hired an AICPA designated chief financial officer with publicly listed company SEC reporting and U.S. GAAP experience and who also has audit committee member expertise in June 2010; (2) commenced the preparation of a comprehensive set of written accounting policies and procedures manual to guide our financial personnel in addressing significant accounting and financial statement close issues in preparation of our financial statements so that they are in compliance with U.S. GAAP and SEC requirements; (3) adopting formal policies to accommodate our planned accelerated financial reporting close-process that accelerates the timely reconciliations of the amounts recorded by us against the amounts recorded by our customers and suppliers; (4) implementing formal information technology approval and authorization policies and procedures for user account management

to regulate user account creation, modification and deletion; and (5) formalizing our transfer pricing policy to ensure the timely preparation and maintenance of sufficient supportable documentation that adequately supports the Group's transfer pricing policy.

We plan to take additional measures to improve our internal controls over financial reporting in 2011, including (1) hiring additional accounting personnel with extensive experience in U.S. GAAP and SEC reporting requirements; (2) hiring a director of internal audit with requisite experience in Section 404 of the Sarbanes-Oxley Act and U.S. GAAP; (3) establishing an audit committee and pursuing plans to build up an internal audit function; and (4) continuing to develop and improve our internal policies relating to internal controls over financial reporting. However, we cannot assure you that we will be able to remediate our material weakness and other control deficiencies in a timely manner. We are not able to estimate with reasonable certainty the costs that we will need to incur to implement these and other measures designed to improve our internal controls over financial reporting.

Upon completion of this offering, we will become subject to the Sarbanes-Oxley Act of 2002. Section 404 of the Sarbanes-Oxley Act, or Section 404, will require that we include a report from management on the effectiveness of our internal control over financial reporting in our annual report on Form 20-F beginning with our annual report for the fiscal year ending December 31, 2012. In addition, beginning at the same time, our independent registered public accounting firm must report on the effectiveness of our internal control over financial reporting. If we fail to remedy the material weakness identified above, our management and our independent registered public accounting firm may conclude that our internal control over financial reporting is not effective. This could adversely impact the market price of our ADSs due to a loss of investor confidence in the reliability of our reporting processes. We will need to incur costs and use management and other resources in order to comply with Section 404.

We are subject to China's anti-corruption laws and upon the completion of this offering, will be subject to 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, results of operations and financial condition.

Upon the completion of this offering, we will be subject to the U.S. Foreign Corrupt Practices Act, or the FCPA, which generally prohibits companies and anyone 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, including China's. Our existing policies prohibit any such conduct and we are in the process of implementing additional policies and procedures designed to ensure that we, our employees and intermediaries comply with 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 for actions taken by our employees and intermediaries 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 hosting 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 not in compliance with the FCPA and other applicable anti-corruption laws governing the conduct of business with government entities or officials, we may be subject to criminal and civil penalties and other remedial measures, which could have an adverse impact on our business, financial condition, results of operations. Any investigation of any potential violations of the FCPA or other anti-corruption laws by U.S. or foreign authorities, including Chinese authorities, could adversely impact our reputation, cause us to lose customer sales and access to hosting facilities and telecommunications resources, and lead to other adverse impacts on our business, financial condition and results of operations.

If we fail to protect our intellectual property rights, our business may suffer.

We consider our copyrights, trademarks, trade names and Internet domain names invaluable to our ability to continue to develop and enhance our brand recognition. Historically, the PRC has afforded less protection to intellectual property rights than the United States. We utilize proprietary know-how and trade secrets and employ various methods to protect such intellectual property. Unauthorized use of our copyrights, trademarks, trade names and domain names may damage our reputation and brand. Preventing copyright, trademark and trade name infringement or misuse could be difficult, costly and time-consuming, particularly in China. The measures we take to protect our copyrights, trademarks and other intellectual property rights are currently based upon a combination of trademark and copyright laws in China and may not be adequate to prevent unauthorized uses. Furthermore, application of laws governing intellectual property rights in China is uncertain and evolving, and could involve substantial risks to us. If we are unable to adequately protect our trademarks, copyrights and other intellectual property rights in the future, we may lose these rights, our brand name may be harmed, and our business may suffer materially. Furthermore, our management's attention may be diverted by violations of our intellectual property rights, and we may be required to enter into costly litigation to protect our proprietary rights against any infringement or violation.

We may face intellectual property infringement claims that could be time-consuming and costly to defend. If we fail to defend ourselves against such claims, we may lose significant intellectual property rights and may be unable to continue providing our existing services.

Our technologies and business methods, including those relating to data center services, may be subject to third-party claims or rights that limit or prevent their use. Companies, organizations or individuals, including our competitors, may hold or obtain patents or other proprietary rights that would prevent, limit or interfere with our ability to make, use or sell our services or develop new services, which could make it more difficult for us to operate our business. Intellectual property registrations or applications by others relating to the type of services that we provide may give rise to potential infringement claims against us. In addition, to the extent that we gain greater visibility and market exposure as a public company, we are likely to face a higher risk of being subject to intellectual property infringement claims from third parties. We expect that infringement claims may further increase as the number of products, services and competitors in our market increases. Further, continued success in this market may provide an impetus to those who might use intellectual property litigation as a tool against us.

It is critical that we use and develop our technology and services without infringing the intellectual property rights of third parties, including but not limited to patents, copyrights, trade secrets and trademarks. Intellectual property litigation is expensive and time-consuming and could divert management's attention from our business. A successful infringement claim against us, whether with or without merit, could, among others things, require us to pay substantial damages, develop non-infringing technology or enter into royalty or license agreements that may not be available on acceptable terms, if at all, and cease making, licensing or using products that have infringed a third party's intellectual property rights. Protracted litigation could also result in existing or potential customers deferring or limiting their purchase or use of our products until resolution of such litigation, or could require us to indemnify our customers against infringement claims in certain instances. Any intellectual property litigation could have a material adverse effect on our business, results of operations or financial condition.

If we fail to defend ourselves against any intellectual property infringement claim, we may lose significant intellectual property rights and may be unable to continue providing our existing services, which could have a material adverse effect on our results of operations and business prospects.

We have granted, and may continue to grant, stock options and other forms of share-based incentive awards, which may result in significant share-based compensation expenses.

As of the date of this prospectus, options to purchase a total of 24,386,470 ordinary shares of our company were outstanding under our 2010 share incentive plan, as amended. See "Management—Share Incentive Plan."

For the year ended December 31, 2010, we recorded RMB277.9 million (US$42.1 million) in share-based compensation expenses, including RMB71.8 million (US$10.9 million) in connection with options granted under our 2010 share incentive plan and RMB206.1 million (US$31.2 million) in connection with fully-vested ordinary shares set aside for our employees and non-employees. We believe share-based incentive awards enhance our ability to attract and retain key personnel and employees, and we will continue to grant stock options and other share-based awards to employees in the future. If our share-based compensation expenses continue to be significant, our results of operations would be materially and adversely affected.

We may not have adequate insurance coverage to protect us from potential losses.

Our operations are subject to hazards and risks normally associated with daily operations for our data center. Currently, we maintain insurance policies with respect to our equipment, but we do not maintain any business interruption insurance or third-party liability insurance. Insurance companies in China currently do not offer as extensive an array of insurance products as insurance companies do in more developed economies. The occurrence of any events not covered by our limited insurance may result in interruption of our operations and subject us to significant losses or liabilities. In addition, any losses or liabilities that are not covered by our current insurance policies or are not insured at all may have a material adverse effect on our business, results of operations and financial condition.

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

Our business could be materially and adversely affected by natural disasters or public health emergencies, such as the outbreak of avian influenza, severe acute respiratory syndrome, or SARS, or another epidemic. On May 12, 2008 and April 14, 2010, severe earthquakes hit part of Sichuan province in southeastern 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 Beijing or another city where we have major operations, in 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 April 2009, a new strain of influenza A virus subtype H1N1, commonly referred to as “swine flu,” was first discovered in North America and quickly spread to other parts of the world, including China. In early June 2009, the World Health Organization declared the outbreak to be a pandemic, while noting that most of the illnesses were of moderate severity. The PRC Ministry of Health has reported several hundred deaths caused by influenza A (H1N1). Any outbreak of avian influenza, SARS, influenza A (H1N1) or other adverse public health epidemic in China may have a material and adverse effect on our business operations. These occurrences could require the temporary closure of our offices or prevent our staff from traveling to our customers’ offices to provide on-site services. Such closures could severely disrupt our business operations and adversely affect our results of operations.

Risks Related to Our Corporate Structure

If the PRC government finds that the arrangements that establish the structure for operating our business do not comply with PRC government restrictions on foreign investment in the telecommunications business, we could be subject to severe penalties.

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.

Because we are a Cayman Islands company, we are classified as a foreign enterprise under PRC laws and regulations, and our wholly-owned PRC subsidiary, 21Vianet China, is a foreign-invested enterprise. To comply with PRC laws and regulations, we conduct our business in China through contractual arrangements with 21Vianet Technology and its shareholders. These contractual arrangements provide 21Vianet China with effective control over 21Vianet Technology. For a description of these contractual arrangements, see "Our Corporate History and Structure—Contractual Arrangements with Our Consolidated VIE."

The Ministry of Industry and Information Technology, or MIIT, issued a circular in July 2006 requiring foreign investors to set up a foreign-invested enterprise and obtain a value-added telecommunications business operating license, or VAT license, in order to conduct any value-added telecommunications business in China. Pursuant to this circular, a domestic VAT license holder is prohibited from leasing, transferring or selling the license to foreign investors in any form, and from providing any assistance, including resources, sites or facilities, to foreign investors that conduct value-added telecommunications business in China illegally. Furthermore, the relevant trademarks and domain names that are used in the value-added telecommunications business must be owned by the local VAT license holder or its shareholder. The circular further requires each VAT license holder to have the necessary facilities for its approved business operations and to maintain such facilities in the regions covered by its license. In addition, all value-added telecommunications service providers are required to maintain network and information security in accordance with the standards set forth under relevant PRC regulations. Due to a lack of interpretations from MIIT, it is unclear what impact this circular will have on us or other similarly situated companies.

Based on its understanding of the relevant laws and regulations, King & Wood, our PRC legal counsel, is of the opinion that each of the contracts among 21Vianet China, 21Vianet Technology and the shareholders of 21Vianet Technology governed by PRC law is valid and legally binding upon each party of such agreements under PRC laws and regulations, and will not result in any violation of PRC laws or regulations currently in effect. However, there are substantial uncertainties regarding the interpretation and application of PRC laws and regulations, including the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules, the telecommunications circular described above and the Telecommunications Regulations and the relevant regulatory measures concerning the telecommunications industry. Accordingly, there can be no assurance that the PRC regulatory authorities that regulate providers of data center service and other participants in the telecommunications industry, in particular, the Ministry of Industry and Information Technology, will ultimately take a view that is consistent with the opinion of our PRC legal counsel.

The relevant PRC regulatory authorities have broad discretion in determining whether a particular contractual structure violates PRC laws and regulations. If our corporate and contractual structure is deemed by the Ministry of Industry and Information Technology, or other regulators having competent authority, to be illegal, either in whole or in part, we may have to modify such structure to comply with regulatory requirements. However, we cannot assure you 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, the relevant regulatory authorities would have broad 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 have been obtained through illegal operations;
- shutting down all or a portion of our networks and servers;

- discontinuing or restricting our operations in China;
- imposing conditions or requirements with which we may not be able to comply;
- requiring us to modify our corporate and contractual structure;
- restricting or prohibiting our use of the proceeds from this offering to finance our PRC affiliated entities' business and operations; and
- taking other regulatory or enforcement actions that could be harmful to our business.

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 our VIE, including such equity interest, may be put under court custody. As the 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. In addition, new PRC laws, rules and regulations may be introduced to impose additional requirements that may be applicable to our corporate structure and contractual arrangements. Occurrence of any of these events could materially and adversely affect our business, financial condition and results of operations.

Our contractual arrangements with 21Vianet Technology 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 21Vianet Technology, our consolidated variable interest entity, were not made on an arm's length basis and may 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 21Vianet Technology without reducing 21Vianet China's tax liability, which could further result in late payment fees and other penalties to 21Vianet Technology for underpaid taxes; or (ii) limiting the ability of 21Vianet Technology to obtain or maintain preferential tax treatments and other financial incentives.

We rely on contractual arrangements with our consolidated variable interest entity and its shareholders for our China operations, which may not be as effective as direct ownership in providing operational control.

We rely on contractual arrangements with our consolidated variable interest entity, 21Vianet Technology, and its shareholders, to operate our business in China. For a description of these contractual arrangements, see "Our Corporate History and Structure—Contractual Arrangements with Our Consolidated VIE." These contractual arrangements may not be as effective as direct ownership in providing us with control over our consolidated variable interest entity. As a legal matter, if our consolidated variable interest entity or its shareholders fail to perform their respective obligations under these contractual arrangements, 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 in the PRC legal system.

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 law and any disputes would be resolved in accordance with PRC legal procedures. The legal environment in the PRC is not as developed as in other jurisdictions, such as the United States. As a result, uncertainties in the PRC legal system could limit our ability to enforce these contractual arrangements. 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 21Vianet Technology, and our ability to conduct our business and our financial conditions and results of operation may be materially and adversely affected. See "—Risks Related to Doing Business in China—Uncertainties with respect to the PRC legal system could limit legal protections available to you and us."

The shareholders of our consolidated variable interest entity may have potential conflicts of interest with us, which may materially and adversely affect our business and financial condition.

The shareholders of our consolidated variable interest entity, 21Vianet Technology, are also the founders, directors, executive officers, employees and ultimate shareholders of our company. Conflicts of interests between their roles may arise. We cannot assure you that if and when conflicts of interest arise, these individuals will act in the best interests of our company or that conflicts of interests will be resolved in our favor. In addition, these individuals may breach or cause our consolidated variable interest entity to breach the existing contractual arrangements. Currently, we do not have arrangements to address potential conflicts of interest between these individuals and our company. We rely on these individuals to abide by the laws of the Cayman Islands and China. If we cannot resolve any conflicts of interest or disputes between us and the shareholders of our consolidated variable interest entity, we would have to rely on legal proceedings, which could result in disruption of our business and substantial uncertainty as to the outcome of any such legal proceedings.

We may lose the ability to use and enjoy assets held by our consolidated variable interest entity that are important to the operation of our business if it goes bankrupt or becomes subject to a dissolution or liquidation proceeding.

As part of our contractual arrangements with our consolidated variable interest entity, 21Vianet Technology, and its shareholders, 21Vianet Technology holds certain assets that are important to our business operations. If 21Vianet Technology goes bankrupt and all or part of its assets become subject to liens or rights of third-party creditors, we may be unable to continue some or all of our business operations, which could materially and adversely affect our business, financial condition and results of operations. If 21Vianet Technology undergoes a voluntary or involuntary liquidation proceeding, its shareholders or unrelated third-party creditors may claim rights to some or all of these assets, thereby hindering our ability to operate our business, which could materially and adversely affect our business, financial condition and result of operations.

Risks Related to Doing Business in China

Adverse changes in political and economic policies of the PRC government could have a material adverse effect on the overall economic growth of China, which could reduce the demand for our services and adversely affect our competitive position.

Substantially all of our operations are conducted in China and substantially all of our sales are made in China. Accordingly, our business, financial condition, results of operations and prospects are affected significantly by economic, political and legal developments in China. The PRC economy differs from the economies of most developed countries in many respects, including the amount of government involvement, the level of development, the growth rate, the control of foreign exchange and allocation of resources. While the PRC economy has grown significantly over the past several decades, the growth has been uneven across different periods, regions and among various economic sectors of China. We cannot assure you that the PRC economy will continue to grow, or that if there is growth, such growth will be steady and uniform, or that if there is a slowdown, such a slowdown will not have a negative effect on our business.

The PRC government exercises significant control over China’s economic growth through the allocation of resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. From late 2003 to mid-2008, the PRC government implemented a number of measures, such as increasing the People’s Bank of China’s statutory deposit reserve ratio and imposing commercial bank lending guidelines that had the effect of slowing the growth of credit, which in turn may have slowed the growth of the PRC economy. In response to the global and Chinese economic downturn in 2008, the PRC government promulgated several measures aimed at expanding credit and stimulating economic growth including decreasing the People’s Bank of China’s statutory deposit reserve ratio and lowering benchmark interest rates several times. Since January 2010, however, the People’s Bank of China

has increased the statutory deposit reserve ratio in response to rapid growth of credit in 2009. It is unclear whether PRC economic policies will be effective in maintaining stable economic growth in the future. Any slowdown in China's economic growth could lead to reduced demand for our solutions, which could materially and adversely affect our business, financial condition and results of operations.

Uncertainties with respect to the PRC legal system could limit legal protections available to you and us.

We conduct our business primarily through our subsidiary, our VIE and its subsidiaries in China. Our operations in China are governed by PRC laws and regulations. 21Vianet China is a foreign-invested enterprise and is subject to laws and regulations applicable to foreign investment in China and, in particular, laws applicable to foreign-invested enterprises. 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 are not binding.

In 1979, the PRC government began to promulgate a comprehensive system of laws and regulations governing economic matters in general. The overall effect of legislation over the past several decades has significantly enhanced the protections afforded to various forms of foreign investments in China. However, China has not developed a fully integrated legal system, and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in China. In particular, because these laws and regulations are relatively new, and because of the limited volume of published decisions and their nonbinding nature, the interpretation and enforcement of these laws and regulations involve uncertainties. In addition, the PRC legal system is based in part on government policies and internal rules, some of which may not be published on a timely basis or at all, and some of which may have a retroactive effect. As a result, we may not be aware of our violation of these policies and rules until some time after the violation. Any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention. However, since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy than in more developed legal systems. These uncertainties may also impede our ability to enforce the contracts we have entered into. As a result, these uncertainties could materially and adversely affect our business and results of operations.

We rely principally on dividends paid by our operating subsidiary to fund cash and financing requirements, and limitations on the ability of our operating subsidiary to make payments to us could have a material adverse effect on our ability to conduct our business and fund our operations.

We are a holding company and conduct substantially all of our business through 21Vianet China, our operating subsidiary, and our consolidated affiliated entities, which are limited liability companies established in China. We rely principally on dividends paid by our subsidiary for our cash needs, including the funds necessary to pay dividends and other cash distributions to our shareholders, to service any debt we may incur and to pay our operating expenses. The payment of dividends by entities organized in China is subject to limitations. In particular, regulations in China currently permit payment of dividends only out of accumulated profits as determined in accordance with the PRC accounting standards and regulations. Our PRC subsidiary, 21Vianet China, is also required to set aside at least 10% of its after-tax profit based on PRC accounting standards each year to its general reserves until the accumulative amount of such reserves reaches 50% of its registered capital. These reserves are not distributable as cash dividends. In addition, 21Vianet China is required to allocate a portion of its after-tax profit to its staff welfare and bonus fund at the discretion of its board of directors. Moreover, if 21Vianet China incurs any debt on its own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us. Any limitation on the ability of 21Vianet China to distribute dividends and other distributions to us could materially and adversely limit our ability to make investments or acquisitions that could be beneficial to our businesses, pay dividends or otherwise fund and conduct our business.

If we fail to acquire, obtain or maintain applicable telecommunications licenses, or are deemed by relevant governmental authorities to be operating outside the terms of our existing license, our business would be materially and adversely affected.

Pursuant to the Telecommunications Regulations promulgated by the PRC State Council in September 2000, telecommunications businesses are divided into two categories, namely, (i) "basic telecommunications businesses," which refers to businesses that provide public network infrastructure, public data transmission and basic voice communications services, and (ii) "value-added telecommunications businesses," which refer to businesses that provide telecommunications and information services through the public network infrastructure. If the value-added telecommunications service covers two or more provinces, autonomous regions or municipalities, such service shall be approved by Ministry of Industry and Information Technology and the service provider shall obtain a Cross-Regional Valued Added Telecommunications License. Pursuant to the Cross-Regional Valued Added Technology License issued to 21Vianet Beijing by the Ministry of Industry and Information Technology in July 7, 2009, 21Vianet Beijing is permitted to carry out its data center business under the first category of "value-added telecommunications business" across nine cities in PRC. Pursuant to the Valued Added Technology License issued to CYSD by the Beijing Communications Administration in June 18, 2009, CYSD is permitted to carry out its Internet access service business under the second category of "value-added telecommunications business" in Beijing.

In connection with our data center services, we provide managed network services that connect our data centers with the telecommunication backbones of China's major carriers, major non-carriers and ISPs as well as connect servers housed in our data centers. Our managed network services are offered in the form of bandwidth with optimized interconnectivity. Furthermore, we have been continuously developing our hosting service and managed network service to better serve our customers, and as a result, we introduce new technologies and services from time to time to support and improve our current business. Besides, as of the date of this prospectus, there is no legal definition as to what constitutes a "managed network services," nor are there laws or regulations in China specifically governing the managed network services. We cannot assure you that PRC governmental authorities will continue to deem our hosting service and will deem our managed network service and any of our newly developed technologies, network and services used in our business as a type of value-added telecommunications business or a business covered under the Cross-Regional Valued Added Telecommunications License of 21Vianet Beijing and the Valued Added Technology License issued to CYSD. As we expand our networks across China, it is also possible that the Ministry of Industry and Information Technology, in the future, may deem our operations to have exceeded the terms of our existing licenses. Further, we cannot assure you that 21Vianet Beijing and CYSD will be able to successfully renew its respective VAT license upon its expiration, or obtaining other appropriate licenses necessary for us to carry out our business or that these VAT licenses will continue to cover all aspects of our operations upon its renewal. In addition, new laws, regulations or government interpretations may also be promulgated from time to time to regulate the hosting service and managed network service or any of our related technology or services, which may require us to obtain additional, or expand existing, operating licenses or permits. Any of these factors could result in our disqualification from carrying out our current business, causing significant disruption to our business operations which may materially and adversely affect our business, financial condition and results of operations.

Under the PRC Enterprise Income Tax Law, we may be classified as a "resident enterprise" of China. Such classification could result in unfavorable tax consequences to us and our non-PRC resident shareholders.

Pursuant to the PRC Enterprise Income Tax Law, an enterprise established outside of China with "de facto management bodies" within China is considered a "resident enterprise," meaning that it can be treated in a manner similar to a Chinese enterprise for enterprise income tax purposes. The term "de facto management body" is defined as the management body that exercises full and substantial control and overall management over the business, productions, personnel, accounts and properties of an enterprise. Given that the Enterprise Income Tax Law is relatively new and ambiguous in terms of some definitions, requirements and detailed procedures, it is unclear how tax authorities will determine tax residency based on the facts of each case.

We believe we are not a PRC resident enterprise, however if the PRC tax authorities determine that we are a "resident enterprise" for PRC enterprise income tax purposes, a number of unfavorable PRC tax consequences could follow: (i) we may be subject to enterprise income tax at a rate of 25% on our worldwide taxable income as well as PRC enterprise income tax reporting obligations; (ii) a 10% withholding tax may be imposed on dividends we pay to our non-PRC resident shareholders; and (iii) a 10% PRC tax may apply to gains derived by our non-PRC resident shareholders from transferring our shares or ADSs, if such income is considered PRC-source income.

Similarly, such unfavorable tax consequences could apply to our Hong Kong subsidiary, 21Vianet HK, if it is deemed to be a "resident enterprise" by the PRC tax authorities. Notwithstanding the foregoing provisions, the Enterprise Income Tax Law also provides that the dividends paid between "qualified resident enterprises" are exempt from enterprise income tax. If 21Vianet HK is deemed a "resident enterprise" for PRC enterprise income tax purposes, the dividends it receives from its PRC subsidiary, 21Vianet China, may constitute dividends between "qualified resident enterprises" and therefore qualify for tax exemption. However, the definition of "qualified resident enterprise" is unclear and the relevant PRC government authorities have not yet issued guidance with respect to the processing of outbound remittances to entities that are treated as resident enterprises for PRC enterprise income tax purposes. Even if such dividends qualify as "tax-exempt income," we cannot guarantee that such dividends will not be subject to any withholding tax.

We and our non-resident investors face uncertainty with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies.

Pursuant to the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises, or SAT Circular 698, issued by the State Administration of Taxation, or the SAT, on December 10, 2009 with retroactive effect from January 1, 2008, where a non-PRC resident enterprise transfers the equity interests of a PRC resident enterprise indirectly by disposition of the equity interests of an overseas holding company, or an indirect transfer, and such overseas holding company is located in a tax jurisdiction that: (i) has an effective tax rate of less than 12.5% or (ii) does not tax foreign income of its residents, the non-PRC resident enterprise, being the transferor, shall report this indirect transfer to the competent tax authority of the PRC resident enterprise.

Using a "substance over form" principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from an indirect transfer may be subject to PRC tax at a rate of up to 10%. SAT Circular 698 also provides that, where a non-PRC resident enterprise transfers its equity interests in a PRC resident enterprise to its related parties at a price lower than the fair market value, the relevant tax authority has the power to make a reasonable adjustment to the taxable income of the transaction.

There is uncertainty as to the application of SAT Circular 698. For example, while the term "indirect transfer" is not clearly defined, it is understood that the relevant PRC tax authorities have jurisdiction regarding requests for information over a wide range of foreign entities having no direct contact with China. Moreover, the relevant authority has not yet promulgated any formal provisions or formally declared or stated how to calculate the effective tax rates in foreign tax jurisdictions, and the process and format of the reporting of an indirect transfer to the competent tax authority of the relevant PRC resident enterprise remain unclear. In addition, there are not any formal declarations with regard to how to determine whether a foreign investor has adopted an abusive arrangement in order to reduce, avoid or defer PRC tax. SAT Circular 698 may be determined by the tax authorities to be applicable to our private equity financing transactions where non-resident investors were involved, if any of such transactions were determined by the tax authorities to lack reasonable commercial purpose. As a result, we and our non-resident investors may be at risk of being taxed under SAT Circular 698 and may be required to expend valuable resources to comply with SAT Circular 698 or to establish that we should not be taxed under SAT Circular 698, which may have a material adverse effect on our financial condition and results of operations or such non-resident investors' investments in us.

Discontinuation of any of the preferential tax treatments available to us or imposition of any additional taxes could adversely affect our financial condition and results of operations.

The PRC Enterprise Income Tax Law, or the New EIT Law, and its implementation rules, became effective on January 1, 2008. The New EIT Law significantly curtails tax incentives granted to foreign-invested enterprises under the PRC Enterprise Income Tax Law concerning foreign-invested enterprises and foreign enterprises, or the Old EIT Law, which was effective prior to January 1, 2008. The New EIT Law, however, (i) reduces the statutory rate of the enterprise income tax from 33% to 25%, (ii) permits companies established before March 16, 2007 to continue to enjoy their existing tax incentives, adjusted by certain transitional phase-out rules promulgated by the State Council on December 26, 2007, and (iii) introduces new tax incentives, subject to various qualification criteria.

In April 2009, 21Vianet Beijing received an approval for the grandfathering of its 6-year tax holiday which effectively commenced from January 1, 2006 and allows it to utilize a three-year 100% tax exemption followed by a three-year 50% reduced EIT rate. In December 2008, 21Vianet Beijing also received an approval as a High and New Technology Enterprises, or HNTE, and is eligible for a 15% preferential tax rate effective from 2008 to 2010. In accordance with the PRC Income Tax Laws, an enterprise awarded HNTE status may enjoy a reduced EIT rate of 15%, however, in the event that any of the various provisions of the transitional preferential enterprise income tax policies, the New EIT Law and the implementing regulations overlap, an enterprise may choose the most advantageous policy to apply its sole and absolute discretion. We currently chose to apply the tax holiday but it is unclear how long we will be able to rely on such tax holiday, if at all, because the relevant regulation on such tax holiday is ambiguous. In addition, the qualification as a HNTE is subject to annual administrative evaluation and a three-year review by the relevant authorities in China. If 21Vianet Beijing is not able to enjoy the tax holiday and fails to maintain its HNTE qualification or renew its qualification when the relevant term expires, its applicable enterprise income tax rate may increase to 25%, which could have a material adverse effect on our financial condition and results of operations.

Any requirement to obtain a prior approval from the China Securities Regulatory Commission could delay this offering, and a failure to obtain such approval, if required, could have a material adverse effect on our business, results of operations and trading price of our ADSs.

In 2006, six PRC regulatory agencies jointly issued the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules. The M&A Rules require that, if an overseas company established or controlled by PRC domestic companies or citizens intends to acquire equity interest or assets of any other PRC domestic company affiliated with the PRC domestic companies or citizens, such acquisition must be submitted to the Ministry of Commerce, rather than local regulators, for approval. In addition, this regulation requires that an offshore special purpose vehicle formed for the purpose of overseas listing of the equity interests in PRC companies via acquisition and controlled directly or indirectly by PRC persons to obtain the approval of the China Securities Regulatory Commission, or the CSRC, prior to the listing and trading of their securities on overseas stock exchanges. On September 21, 2006, the CSRC published a notice on its official website specifying the documents and materials required to be submitted by overseas special purpose companies seeking the CSRC's approval of their overseas listings.

Our PRC legal counsel, King & Wood, has advised us that the M&A Rules do not require an application to be submitted to the CSRC for its approval of the listing and trading of our ADSs on the NASDAQ Global Market, given that (i) we have completed our restructuring in all material respects prior to the effective date of the M&A Rules, (ii) 21Vianet China was established in 2000 through new incorporation rather than acquisition of any equity or assets of a "PRC domestic company" as defined under the M&A Rules, and (iii) no explicit provision in the M&A Rules classifies contractual arrangements like those between 21Vianet China and 21Vianet Technology as a type of transaction falling under the M&A Rules.

However, there can be no assurance that the CSRC will not in the future take a view that is contrary to that of our PRC legal counsel. If the CSRC requires that we obtain its approval prior to the completion of this offering, this offering will be delayed until we obtain the approval from the CSRC, which may take several

months or longer. If a prior approval from the CSRC is required but not obtained, we may face regulatory actions or other sanctions from the CSRC or other PRC regulatory agencies. These regulatory agencies may impose fines and penalties on our operations in China, limit our operating privileges in China, delay or restrict the transfer of the proceeds of this offering into China, or take other actions that could have a material adverse effect on our business, financial condition and results of operations, as well as the trading price of our ADSs. The CSRC or other PRC regulatory agencies may also take actions requiring us to halt this offering before settlement and delivery of our ADSs.

Any requirement to obtain the approval of the Ministry of Industry and Information Technology and a failure to do so, if required, may create uncertainties for this offering and have a material adverse effect on the trading price of our ADSs.

Pursuant to the Circular on Strengthening the Administration of Foreign Investment in and Operation of Value-Added Telecommunications Business, domestic telecommunications companies that intend to be listed overseas must obtain the approval from the Ministry of Industry and Information Technology for such overseas listing. The Ministry of Industry and Information Technology currently has not issued any definitive rule concerning whether offerings like ours under this prospectus would be deemed an indirect overseas listing of our PRC affiliates that engage in telecommunications business. If the Ministry of Industry and Information Technology subsequently requires that we obtain its approval, it may create uncertainties for this offering and have a material adverse effect on the trading price of our ADSs.

The M&A Rules establish complex procedures for some acquisitions of Chinese companies by foreign investors, which could make it difficult for us to pursue growth through acquisitions in China.

The M&A Rules include provisions that purport to require approval of the Ministry of Commerce for acquisitions by offshore entities established or controlled by domestic companies, enterprises or natural persons of onshore entities that are related to such domestic companies, enterprises or natural persons, and prohibit offshore entities from using their foreign-invested subsidiaries in China, or through "other means," to circumvent such requirement. As part of our growth strategy, we obtained control over 21Vianet Technology on July 15, 2003 by entering into contractual arrangements with 21Vianet Technology and their shareholders. We did not seek the approval of the Ministry of Commerce for these transactions based on the legal advice we obtained from our PRC legal counsel in connection with those transactions. However, the M&A Rules also prohibit companies from using any "other means" to circumvent the approval requirement set forth therein and there is no clear interpretation as to what constitutes "other means" of circumvention of the requirement under the M&A Rules. The Ministry of Commerce and other applicable government authorities would therefore have broad discretion in determining whether an acquisition is in violation of the M&A Rules. If PRC regulatory authorities take a view that is contrary to ours, we could be subject to severe penalties. In addition, part of our growth strategy includes acquiring complementary businesses or assets. Complying with the requirements of the M&A Rule to complete such transactions could be time-consuming, and any required approval processes, including obtaining approval from the Ministry of Commerce, may delay or inhibit the completion of such transactions, which could affect our ability to expand our business or maintain our market share. If any of our acquisitions were subject to the M&A Rule and were found not to be in compliance with the requirements of the M&A Rule in the future, relevant PRC regulatory agencies may impose fines and penalties on our operations in the PRC, limit our operating privileges in the PRC, or take other actions that could have a material adverse effect on our business, financial condition, results of operations, reputation and prospects.

PRC regulation of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from using the proceeds of this offering to make loans or additional capital contributions to our PRC subsidiary or affiliated entities, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

In utilizing the proceeds of this offering in the manner described in "Use of Proceeds," as an offshore holding company, we may make loans to our PRC subsidiary, 21Vianet China, or our VIE and its subsidiaries in

the PRC, or we may make additional capital contributions to 21Vianet China. Any loans to 21Vianet China or our VIE and its subsidiaries in the PRC are subject to PRC regulations. For example, loans by us to 21Vianet China, which is a foreign-invested enterprise, to finance its activities cannot exceed statutory limits and must be registered with the State Administration of Foreign Exchange.

We may also decide to finance our operations in China by means of capital contributions. These capital contributions must be approved by the Ministry of Commerce or its local counterpart. We cannot assure you that we will be able to obtain these government approvals on a timely basis, if at all, with respect to future capital contributions by us to our subsidiary. If we fail to receive such approvals, our ability to use the proceeds of this offering and to capitalize our PRC operations may be negatively affected, which could adversely affect our liquidity and our ability to fund and expand our business.

Governmental control of currency conversion may limit our ability to utilize our revenues.

Substantially all of our revenues and expenses are denominated in Renminbi. Under PRC laws, 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, without the prior approval of the State Administration of Foreign Exchange. Currently, our PRC subsidiary, 21Vianet China, may purchase foreign currencies for settlement of current account transactions, including payments of dividends to us, without the approval of the State Administration of Foreign Exchange. However, foreign exchange transactions by 21Vianet China under the capital account continue to be subject to significant foreign exchange controls and require the approval of or need to register with PRC governmental authorities, including the State Administration of Foreign Exchange. In particular, if 21Vianet China borrows foreign currency loans from us or other foreign lenders, these loans must first be registered with the State Administration of Foreign Exchange. If 21Vianet China, a wholly foreign-owned enterprise, borrows foreign currency, the accumulative amount of its foreign currency loans shall not exceed the difference between the total investment and the registered capital of 21Vianet China. If we finance 21Vianet China by means of additional capital contributions, these capital contributions must be approved by certain government authorities, including the National Development and Reform Commission, the Ministry of Commerce or their respective local counterparts. Any existing and future restrictions on currency exchange may affect the ability of our PRC subsidiary or affiliated entities to obtain foreign currencies, limit our ability to meet our foreign currency obligations or otherwise materially and adversely affect our business.

Fluctuation in the value of the Renminbi may reduce the value of your investment.

The value of the Renminbi against the U.S. dollar and other currencies is affected by, among other things, changes in China's political and economic conditions and China's foreign exchange policies. The conversion of Renminbi into foreign currencies, including U.S. dollars, has been based on exchange rates set by the People's Bank of China. On July 21, 2005, the PRC government changed its decade-old policy of pegging the value of the Renminbi solely to the U.S. dollar. Under this revised policy, the Renminbi is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. Following the removal of the U.S. dollar peg, the Renminbi appreciated more than 20% against the U.S. dollar over the following three years. However, the People's Bank of China regularly intervenes in the foreign exchange market to limit fluctuations in Renminbi exchange rates and achieve policy goals. For almost two years after July 2008, the Renminbi traded within a narrow range against the U.S. dollar. As a consequence, the Renminbi fluctuated significantly during that period against other freely traded currencies, in tandem with the U.S. dollar. In June 2010, the PRC government announced that it would increase Renminbi exchange rate flexibility. However, it remains unclear how this flexibility might be implemented. There remains significant international pressure on the PRC government to adopt a more flexible currency policy, which could result in a further and more significant appreciation of the Renminbi against the U.S. dollar.

Because substantially all of our revenues and expenditures are denominated in Renminbi and the net proceeds from this offering will be denominated in U.S. dollars, fluctuations in the exchange rate between the

U.S. dollar and Renminbi will affect the relative purchasing power of these proceeds and our balance sheet and earnings per share in U.S. dollars following this offering. In addition, appreciation or depreciation in the value of the Renminbi relative to the U.S. dollar would affect our financial results reported in U.S. dollar terms without giving effect to any underlying change in our business or results of operations. Fluctuations in the exchange rate will also affect the relative value of any dividend we issue after this offering that will be exchanged into U.S. dollars and earnings from and the value of any U.S. dollar-denominated investments we make in the future.

Very limited hedging transactions are available in China to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedging transactions may be limited and we may not be able to successfully hedge our exposure at all. In addition, our currency exchange losses may be magnified by Chinese exchange control regulations that restrict our ability to convert Renminbi into foreign currency.

PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC resident beneficial owners to personal liability and limit our ability to acquire PRC companies, to inject capital into our PRC subsidiary, limit our PRC subsidiary's ability to distribute profits to us, or otherwise materially and adversely affect us.

In October 2005, the SAFE issued a public notice, the Notice on Relevant Issues in the Foreign Exchange Control over Financing and Return Investment Through Special Purpose Companies by Residents Inside China, or Circular 75. According to Circular 75 and the relevant SAFE regulations, prior registration with the local SAFE branch is required for PRC residents to establish or to control an offshore company for the purposes of financing that offshore company with assets or equity interests in an onshore enterprise located in the PRC. An amendment to registration or filing with the local SAFE branch by such PRC resident is also required for the injection of equity interests or assets of an onshore enterprise in the offshore company or overseas funds raised by such offshore company or an other material change involving a change in the capital of the offshore company.

Moreover, Circular 75 applies retroactively. As a result, PRC residents who have established or acquired control of offshore companies that have made onshore investments in the PRC in the past are required to complete the relevant registration with the local SAFE branch. Failure to comply with the registration procedures set forth in Circular 75 may result in restrictions on the foreign exchange activities of the relevant foreign-invested enterprises, including the payment of dividends and other distributions, such as proceeds from any reduction in capital, share transfer or liquidation, to its offshore parent or affiliate and the capital inflow from the offshore parent, and may also subject relevant PRC residents to penalties under PRC foreign exchange administration regulations.

Our current PRC resident beneficial owners, including our founders Sheng Chen and Jun Zhang, are still in the process of filing the necessary registrations as required under Circular 75. However, we cannot assure you that our founders can successfully complete such registrations and that our current and future beneficial owners who are PRC residents will comply with Circular 75. We also cannot assure you that there will not be further filing or registration requirements imposed by the PRC government concerning ownership in foreign companies of PRC residents. Registration with SAFE may take a long time and is subject to SAFE's discretion on when and whether to approve such registration. The failure of our PRC resident beneficial owners, including our founders, to make any required registrations or comply with these requirements may subject such beneficial owners to fines and legal sanctions and may also limit our ability to contribute additional capital into or provide loans to (including using the proceeds from this offering) our PRC subsidiary, 21Vianet China, and our VIE and its subsidiaries, limit 21Vianet China's ability to pay dividends or otherwise distribute profits to us, or otherwise materially and adversely affect us.

The enforcement of the Labor Contract Law and other labor-related regulations in the PRC may adversely affect our business and our results of operations.

On June 29, 2007, the Standing Committee of the National People's Congress of China enacted the Labor Contract Law, which became effective on January 1, 2008. The Labor Contract Law introduces specific

provisions related to fixed-term employment contracts, part-time employment, probation, consultation with labor union 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 Labor Contract Law, an employer is obliged to sign an unlimited-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 unlimited term, with certain exceptions. The employer must also pay severance to an employee in nearly all instances where a labor contract, including a contract with an unlimited term, is terminated or expires. In addition, the government has continued to introduce various new labor-related regulations after the Labor Contract Law. Among other things, new annual leave requirements mandate that annual leave ranging from five to 15 days is available to nearly all employees and further require that the employer compensate an employee for any annual leave days the employee is unable to take in the amount of three times his daily salary, subject to certain exceptions. As a result of these new regulations designed to enhance labor protection, our labor costs are expected to increase. In addition, as the interpretation and implementation of these new regulations are still evolving, we cannot assure you that our employment practice will at all times be deemed in full 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 results of operations may be adversely affected.

Risks Related to Our ADSs and This Offering

There has been no public market for our ordinary shares or ADSs prior to this offering and you may not be able to resell our ADSs at or above the price you paid, or at all.

Prior to this offering, there has been no public market for our ordinary shares or ADSs. We have applied to list the ADSs on the NASDAQ Global Market. Our ordinary shares will not be listed on any exchange or quoted for trading on any over-the-counter trading system. If an active trading market for our ADSs does not develop after this offering, the market price and liquidity of our ADSs will be materially and adversely affected.

The initial public offering price for our ADSs is determined by negotiations between us and the underwriters and may bear no relationship to the market price for our ADSs after the initial public offering. We cannot assure you that an active trading market for our ADSs will develop or that the market price of our ADSs will not decline below the initial public offering price.

The market price for our ADSs may be volatile.

The market price for our ADSs is likely to be highly volatile and subject to wide fluctuations in response to factors including the following:

- actual or anticipated fluctuations in our quarterly operating results and changes or revisions of our expected results;
- announcements of new services by us or our competitors;
- changes in financial estimates or recommendations by securities analysts;
- conditions in the data center industry in China;
- changes in the economic performance or market valuations of other companies that provide hosting and managed network services;
- fluctuations of exchange rates between the Renminbi and the U.S. dollar or other foreign currencies;
- announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments;

- additions or departures of key personnel;
- release or expiration of lock-up or other transfer restrictions on our outstanding ordinary shares or ADSs;
- sales or perceived potential sales of additional ordinary shares or ADSs;
- pending or potential litigation or administrative investigations; and
- general economic or political conditions in China.

In addition, the securities market has experienced significant price and volume fluctuations unrelated to the operating performance of any particular companies. These market fluctuations may also materially and adversely affect the market price of our ADSs.

Our proposed dual-class voting structure will limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our Class A ordinary shares and ADSs may view as beneficial.

Immediately prior to the completion of this offering, we will have a dual-class voting structure such that our ordinary shares will consist of Class A ordinary shares and Class B ordinary shares. In respect of matters requiring the votes of shareholders, holders of Class A ordinary shares will be entitled to one vote per share, while holders of Class B ordinary shares will be entitled to ten votes per share. We will issue Class A ordinary shares represented by our ADSs in this offering. Immediately prior to the completion of this offering, all then outstanding ordinary shares and preferred shares will be automatically re-designated as Class B ordinary shares. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof, while Class A ordinary shares are not convertible into Class B ordinary shares or preferred shares under any circumstances. Upon any transfer of Class B ordinary shares by a holder thereof to any person or entity which is not an affiliate of such holder, such Class B ordinary shares shall be automatically and immediately converted into the equal number of Class A ordinary shares. Due to the disparate voting powers attached to these two classes, our existing shareholders and management will hold 244,515,330 Class B ordinary shares, which represents % of the aggregate voting power of our company immediately after this offering, assuming the underwriters do not exercise the over-allotment option. This concentrated control will limit your ability to influence corporate matters and could discourage others from pursuing any potential merger, takeover or other change of control transactions that holders of Class A ordinary shares and ADSs may view as beneficial.

Because the initial public offering price is substantially higher than our net tangible book value per share, you will incur immediate and substantial dilution.

If you purchase ADSs in this offering, you will pay more for your ADSs than the amount paid by our existing shareholders for their Class A ordinary shares on a per ADS basis. As a result, you will experience immediate and substantial dilution of approximately US$ per ADS (assuming no exercise by the underwriters of options to acquire additional ADSs), representing the difference between our net tangible book value per ADS as of , after giving effect to this offering. In addition, you may experience further dilution to the extent that our ordinary shares are issued upon the exercise of share options.

Substantial future sales of our ADSs in the public market, or the perception that these sales could occur, could cause the price of our ADSs to decline.

Additional sales of our Class A ordinary shares in the public market after this offering, or the perception that these sales could occur, could cause the market price of our ADSs to decline. Upon completion of this offering, we will have ordinary shares outstanding including Class A ordinary shares represented by ADSs. All shares sold in this offering will be freely transferable without restriction or additional registration under the Securities Act of 1933, as amended, or the Securities Act. The remaining Class A ordinary

shares outstanding after this offering will be available for sale, upon the expiration of the 180-day lock-up period beginning from the date of this prospectus, subject to volume and other restrictions as applicable under Rule 144 under the Securities Act. Any or all of these shares may be released prior to expiration of the lock-up period at the discretion of the lead underwriters for this offering. To the extent shares are released before the expiration of the lock-up period and these shares are sold into the market, the market price of our ADSs may decline.

In addition, certain holders of our ordinary shares after the completion of this offering will have the right to cause us to register the sale of those shares under the Securities Act. Registration of these shares under the Securities Act would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the registration. Sales of these registered shares in the public market could cause the price of our ADSs to decline.

You may not have the same voting rights as the holders of our ordinary shares and may not receive voting materials in time to be able to exercise your right to vote.

Except as described in this prospectus and in the deposit agreement, holders of our ADSs will not be able to exercise voting rights attaching to the Class A ordinary shares evidenced by our ADSs on an individual basis. Holders of our ADSs will appoint the depositary or its nominee as their representative to exercise the voting rights attaching to the Class A ordinary shares represented by the ADSs. You may not 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. The deposit agreement provides that if the depositary does not timely receive valid voting instructions from the ADS holders, then the depositary shall, with certain limited exceptions, give a discretionary proxy to a person designated by us to vote such shares.

We are a "foreign private issuer," and have disclosure obligations that are different from those of U.S. domestic reporting companies; as a result, you should not expect to receive the same information about us at the same time when a U.S. domestic reporting company provides the information required to be disclosed.

We are a foreign private issuer and, as a result, we are not subject to the same requirements that are imposed upon U.S. domestic issuers by the SEC. Under the Securities Exchange Act of 1934, or the Exchange Act, we will be subject to reporting obligations that, to some extent, are more lenient and less frequent than those of U.S. domestic reporting companies. For example, we are not required to issue quarterly reports or proxy statements. We will have six months to file our annual report with the SEC for the fiscal year ending December 31, 2010 and will have 120 days to file for the fiscal years ending on or after December 31, 2011. We are not required to disclose detailed individual executive compensation information that is required to be disclosed by U.S. domestic issuers. Further, our directors and executive officers are not required to report equity holdings under Section 16 of the Securities Act and are not subject to the insider short-swing profit disclosure and recovery regime. As a foreign private issuer, we are also exempt from the requirements of Regulation FD (Fair Disclosure) which, generally, are meant to ensure that select groups of investors are not privy to specific information about an issuer before other investors. We are, however, still subject to the anti-fraud and anti-manipulation rules of the SEC, such as Rule 10b-5 under the Exchange Act. Since many of the disclosure obligations imposed on us as a foreign private issuer are different than those imposed on U.S. domestic reporting companies, our shareholders should not expect to receive the same information about us and at the same time as the information received from, or provided by, U.S. domestic reporting companies.

We may be classified as a passive foreign investment company for United States federal income tax purposes, which could result in adverse U.S. federal income tax consequences to U.S. holders of our ADSs or Class A ordinary shares.

Depending upon the value of our assets, which may be determined based, in part, on the market value of our Class A ordinary shares and ADSs, and the nature of our assets and income over time, we could be classified as a

passive foreign investment company, or a PFIC. Under the U.S. federal tax law, we will be classified as a PFIC for any taxable year if either (i) at least 75% of our gross income for the taxable year is passive income or (ii) at least 50% of the value of our assets (based on the average quarterly value of our assets during the taxable year) is attributable to assets that produce or are held for the production of passive income. Based on our current income and assets and projections as to the value of our Class A ordinary shares and ADSs following this offering, we do not expect to be classified as a PFIC for the current taxable year or in the foreseeable future. While we do not anticipate being a PFIC, changes in the nature of our income or assets or the value of our assets may cause us to become a PFIC for the current or any subsequent taxable year.

Although the law in this regard is not entirely clear, we treat 21Vianet Technology and 21Vianet Beijing as being owned by us for United States federal income tax purposes, because we control their management decisions and we are entitled to substantially all of the economic benefits associated with them, and, as a result, we consolidate their results of operations in our consolidated U.S. GAAP financial statements. If it were determined, however, that we are not the owner of 21Vianet Technology and 21Vianet Beijing for United States federal income tax purposes, we would likely be treated as a PFIC for our taxable year ending on December 31, 2011 and for any subsequent taxable years. Because of the uncertainties in the application of the relevant rules and because PFIC status is a factual determination made annually after the close of each taxable year on the basis of the composition of our income and the value of our active versus passive assets, there can be no assurance that we will not be a PFIC for the taxable year 2011 or any future taxable year. The overall level of our passive assets will be affected by how, and how quickly, we spend our liquid assets and the cash raised in this offering. Under circumstances where revenues from activities that produce passive income significantly increase relative to our revenues from activities that produce non-passive income or where we determine not to deploy significant amounts of cash for active purposes, our risk of becoming classified as a PFIC may substantially increase.

If we were to be or become a PFIC, a U.S. Holder (as defined in “Taxation—Material United States Federal Income Tax Considerations—General”) may incur significantly increased United States income tax on gain recognized on the sale or other disposition of the ADSs or Class A ordinary shares and on the receipt of distributions on the ADSs or Class A ordinary shares to the extent such gain or distribution is treated as an “excess distribution” under the United States federal income tax rules. Further, if we were a PFIC for any year during which a U.S. Holder held our ADSs or Class A ordinary shares, we generally would continue to be treated as a PFIC as to such U.S. Holder for all succeeding years during which such U.S. Holder held our ADSs or Class A ordinary shares. Alternatively, U.S. holders of PFIC shares can sometimes avoid the rules described above by electing to treat a PFIC as a “qualified electing fund.” However, this option will not be available to U.S. Holders because, even if we were to be or become a PFIC, we do not intend to comply with the requirements necessary to permit U.S. Holders to make such election. If a U.S. Holder owns our ADSs or Class A ordinary shares during any taxable year that we are a PFIC, the holder must file an annual report with the U.S. Internal Revenue Service. Each U.S. Holder is urged to consult its tax advisor concerning the United States federal income tax consequences of purchasing, holding and disposing of ADSs or Class A ordinary shares if we are or become treated as a PFIC, including the possibility of making a mark-to-market election or “deemed sale” election and the unavailability of the election to treat us as a qualified electing fund. For more information, see “Taxation—Material United States Federal Income Tax Considerations—Passive Foreign Investment Company Considerations.”

You may not be able to participate in rights offerings, may experience dilution of your holdings and you may not receive cash dividends if it is impractical to make them available to you.

We may from time to time distribute rights to our shareholders, including rights to acquire our securities. Under the deposit agreement for the ADSs, the depositary will not offer those rights to ADS holders unless both the rights and the underlying securities to be distributed to ADS holders are either registered under the Securities Act or exempt from registration under the Securities Act with respect to all holders of ADSs. We are under no obligation to file a registration statement with respect to any such rights or underlying securities or to endeavor to cause such a registration statement to be declared effective. In addition, we may not be able to take advantage of

any exemptions from registration under the Securities Act. Accordingly, holders of our ADSs may be unable to participate in our rights offerings and may experience dilution in their holdings as a result.

In addition, the depositary of our ADSs has agreed to pay to you 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. You will receive these distributions in proportion to the number of ordinary shares your ADSs represent. However, the depositary may, at its discretion, decide that it is inequitable or impractical to make a distribution available to any holders of ADSs. 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 and you will not receive such distribution.

You may be subject to limitations on transfer of your ADSs.

Your ADSs represented by the ADRs 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 deem 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.

You may face difficulties in protecting your interests, and your ability to protect your rights through the U.S. federal courts may be limited, because we are incorporated under Cayman Islands law, conduct substantially all of our operations in China and a majority of our officers and directors reside outside the United States.

We are incorporated in the Cayman Islands and substantially all of our assets are located outside of the United States. We conduct substantially all of our operations in China through our wholly-owned subsidiary in China. The majority of our officers and directors reside outside the United States and a substantial portion of the assets of those persons are located outside of the United States. As a result, it may be difficult for you to bring an action against us or against these individuals in the Cayman Islands or in China in the event that you believe that your rights have been infringed under the securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and of China may render you unable to enforce a judgment against our assets or the assets of our directors and officers. In addition, there is uncertainty as to whether the courts of the Cayman Islands or the PRC would recognize or enforce judgments of U.S. courts against us or such persons predicated upon the civil liability provisions of the securities laws of the United States or any state, and it is uncertain whether such Cayman Islands or PRC courts would be competent to hear original actions brought in the Cayman Islands or the PRC against us or such persons predicated upon the securities laws of the United States or any state. For more information regarding the relevant laws of the Cayman Islands and China, see “Enforceability of Civil Liabilities.”

Our corporate affairs are governed by our memorandum and articles of association and by the Companies Law (as amended) and common law of the Cayman Islands. The rights of shareholders to take legal action against our directors and us, actions by minority shareholders and the fiduciary responsibilities 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 English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedents in the United States. In particular, the Cayman Islands has a less developed body of securities laws as compared to the United States, and provides significantly less protection to investors. In addition, Cayman Islands companies may not have standing to initiate a shareholder derivative action before the federal courts of the United States.

As a result of all of the above, our public shareholders may have more difficulty in protecting their interests through actions against our management, directors or major shareholders than they would as shareholders of a public company of the United States.

Our management will have considerable discretion as to the use of the net proceeds from this offering, and we may use these proceeds in ways with which you may not agree.

We have not specifically allocated most of the net proceeds of this offering to any particular purpose. Rather, our management will have considerable discretion in the application of the net proceeds received by us. You will not have the opportunity, as part of your investment decision, to assess whether proceeds are being used appropriately. You must rely on the judgment of our management regarding the application of the net proceeds of this offering. The net proceeds may be used for corporate purposes that do not improve our efforts to achieve profitability or increase our ADS price. Such proceeds from this offering may also be placed in investments that do not produce income or that may lose value.

Our memorandum and articles of association will contain anti-takeover provisions that could adversely affect the rights of holders of our ordinary shares and ADSs.

We will adopt an amended and restated article of association that will become effective immediately upon the closing of this offering. Our new memorandum and articles of association will contain certain provisions that could limit the ability of others to acquire control of our company, including a provision that grants authority to our board of directors to establish from time to time one or more series of preferred shares without action by our shareholders and to determine, with respect to any series of preferred shares, the terms and rights of that series. The provisions could have the effect of depriving our shareholders of the opportunity to sell their shares at a premium over the prevailing market price by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transactions.

We will incur increased costs as a result of being a public company.

As a public company, we will incur significant accounting, legal and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, as well as new rules subsequently implemented by the SEC and the NASDAQ Global Market, have detailed requirements concerning corporate governance practices of public companies including Section 404 of the Sarbanes-Oxley Act relating to internal controls over financial reporting. We expect these new rules and regulations will increase our director and officer liability insurance, accounting, legal and financial compliance costs and will make certain corporate activities more time-consuming and costly. In addition, we will incur additional costs associated with our public company reporting requirements. We are currently evaluating and monitoring developments with respect to these new rules, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs.

If securities or industry analysts do not actively follow our business, or if they publish unfavorable research about our business, our ADS price and trading volume could decline.

The trading market for our ADS will depend in part on the research and reports that securities or industry analysts publish about us or our business. We do not currently have and may never obtain research coverage by securities and industry analysts. If no securities or industry analysts commence coverage of our company, the trading price for our ADSs may be negatively impacted. In the event we obtain securities or industry analyst coverage, if one or more of the analysts who covers us downgrades our ADSs or publishes unfavorable research about our business, our ADS price would likely decline. If one or more of these analysts ceases coverage of our company or fails to publish reports on us regularly, demand for our ADSs could decrease, which could cause our ADS price and trading volume to decline.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that reflect our current expectations and views of future events. The forward-looking statements are contained principally in the sections entitled "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business." You can identify some of these forward-looking statements by words or phrases such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "is/are likely to," "potential," "continue" or other similar expressions, although not all forward-looking statement contain these words.

Forward-looking statements include, but are not limited to, statements relating to:

- our goals and strategies;
- our expansion plans;
- our future business development, financial condition and results of operations;
- the expected growth of the data center services market;
- our expectations regarding demand for, and market acceptance of, our services;
- our expectations regarding keeping and strengthening our relationships with customers;
- our plans to invest in research and development to enhance our solution and service offerings; and
- general economic and business conditions in the regions where we provide our solutions and services.

We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. Although we believe that our expectations expressed in these forward-looking statements are reasonable, our expectations may later be found to be incorrect. Our actual results could be materially different from our expectations. Known and unknown risks, uncertainties and other factors, including those important risks and factors that could cause our actual results to be materially different from our expectations, are generally set forth in "Prospectus Summary—Our Challenges," "Prospectus Summary—Our Strategies," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business," "Regulation" and other sections in this prospectus. You should thoroughly read this prospectus and the documents that we refer to with the understanding that our actual future results may be materially different from and worse than what we expect. We qualify all of our forward-looking statements with these cautionary statements. Other sections of this prospectus include additional factors which could adversely impact our business and financial performance.

This prospectus contains statistical data that we obtained from various government and private publications. The market for data center services may not grow at the rate projected by market data, or at all. The failure of this market to grow at the projected rate may have a material adverse effect on our business and the market price of our ADSs. In addition, the rapidly evolving technologies or business models result in significant uncertainties in any projections or estimates relating to the growth prospects or future condition of our market. Furthermore, if any one or more of the assumptions underlying the market data is later found to be incorrect, actual results may differ from the projections based on these assumptions. You should not place undue reliance on these forward-looking statements.

Unless otherwise indicated, information in this prospectus concerning economic conditions and our industry is based on information from independent industry analysts and publications, as well as our estimates. Except where otherwise noted, our estimates are derived from publicly available information released by third-party sources, as well as data from our internal research, and are based on such data and our knowledge of our industry, which we believe to be reasonable.

The forward-looking statements made in this prospectus relate only to events or information as of the date on which the statements are made in this prospectus. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this prospectus and the documents that we refer to in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect.

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately US$ million, or approximately US$ million if the underwriters exercise their option to purchase additional ADSs in full, after deducting underwriting discounts and the estimated offering expenses payable by us. These estimates are based upon an assumed initial public offering price of US$ per ADS, the mid-point of the range shown on the front cover page of this prospectus. A US$1.00 increase (decrease) in the assumed initial public offering price of US$ per ADS would increase (decrease) the net proceeds to us from this offering by US$ million, assuming the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated expenses payable by us.

The primary purposes of this offering are to create a public market for our shares for the benefit of all shareholders, retain talented employees by providing them with equity incentives, and obtain additional capital. We currently plan to use the net proceeds of this offering as follows:

- approximately US$ million to expand our data center infrastructure;
- approximately US$ million to expand our network infrastructure; and
- the remaining amount to fund working capital and for other general corporate purposes, including strategic investment in, and acquisitions of, complementary businesses (although we are not negotiating any such investment or acquisition).

The foregoing represents our current intentions based upon our present plans and business conditions to use and allocate the net proceeds of this offering. Our management, however, will have significant flexibility and discretion to apply the net proceeds of this offering. If an unforeseen event occurs or business conditions change, we may use the proceeds of this offering differently than as described in this prospectus.

In using the proceeds of this offering, as an offshore holding company, we are permitted, under PRC laws and regulations, to provide funding to our PRC subsidiary only through loans or capital contributions and to our PRC affiliated entities only through loans, subject to satisfaction of applicable government registration and approval requirements. We cannot assure you that we will be able to obtain these government registrations or approvals on a timely basis, if at all. See “Risk Factors—Risks Related to Doing Business in China—PRC regulation of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from using the proceeds of this offering to make loans or additional capital contributions to our PRC subsidiary or affiliated entities, which could materially and adversely affect our liquidity and our ability to fund and expand our business.”

To the extent that a certain portion or all of the net proceeds we receive from this offering are not immediately applied for the above purposes, we plan to invest the net proceeds in short-term, interest-bearing debt instruments or bank deposits. These investments may have a material adverse effect on the U.S. federal income tax consequences of your investment in our ADSs. These consequences are described in more detail in “Taxation—Material United States Federal Income Tax Considerations—Passive Foreign Investment Company Considerations.”

DIVIDEND POLICY

We do not plan to pay any dividends on our ordinary shares in the foreseeable future. We currently intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business.

Our board of directors has complete discretion whether to distribute dividends. Even if our board of directors decides to pay dividends, the form, frequency and amount will depend upon 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.

Holders of our ADSs will be entitled to receive dividends, if any, subject to the terms of the deposit agreement, to the same extent as the holders of our ordinary shares. Cash dividends will be paid to the depositary in U.S. dollars, which will distribute them to the holders of ADSs according to the terms of the deposit agreement. Other distributions, if any, will be paid by the depositary to the holders of ADSs by any means it deems legal, fair and practical. See "Description of American Depositary Shares—Dividends and Distributions."

We are a holding company incorporated in the Cayman Islands. We rely on dividends from our subsidiary in China for our cash needs. Our PRC subsidiary is required to comply with the applicable PRC regulations when it pays dividends to us. See "Risk Factors—Risks Relating to Doing Business in China—We rely principally on dividends paid by our operating subsidiary to fund cash and financing requirements, and limitations on the ability of our operating subsidiary to make payments to us could have a material adverse effect on our ability to conduct our business and fund our operations."

CAPITALIZATION

The following table sets forth our capitalization as of December 31, 2010:

- on an actual basis;
- on a pro forma basis to reflect (i) the issuance of a total of 37,196,750 Series C1 preferred shares on January 14, 2011 and February 17, 2011 for net proceeds of US$35.0 million and (ii) the automatic conversion of all of our outstanding ordinary shares and preferred shares, including the newly issued Series C1 preferred shares included in (i), into 244,515,340 Class B ordinary shares immediately prior to completion of this offering; and
- on a pro forma as adjusted basis to reflect (i) the pro forma adjustments above, and (ii) the sale of Class A ordinary shares in the form of ADSs by us in this offering, assuming an initial public offering price of US$ per ADS, the midpoint of the estimated range of our initial public offering price, after deducting the underwriting discounts and commissions and the estimated offering expenses payable by us and assuming the underwriters' over-allotment option to purchase additional ADSs is not exercised.

You should read this table together with our consolidated financial statements and the related notes included elsewhere in this prospectus and the information under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	As of December 31, 2010					
	Actual		Pro Forma		Pro Forma As Adjusted	
	RMB	US$	RMB	US$	RMB	US$
	(in thousands)					
Short-term bank borrowings	35,000	5,303	35,000	5,303		
Mezzanine equity						
Series A1 contingently redeemable convertible preferred shares (US$0.00001 par value; 30,411,130 shares authorized , issued and outstanding)	260,280	39,437	—	—		
Series A2 contingently redeemable convertible preferred shares (US$0.00001 par value; 5,944,580 shares authorized , issued and outstanding)	51,990	7,877	—	—		
Series A3 contingently redeemable convertible preferred shares (US$0.00001 par value; 5,052,630 shares authorized , issued and outstanding)	43,410	6,577	—	—		
Series B1 contingently redeemable convertible preferred shares (US$0.00001 par value; 10,947,370 shares authorized , issued and outstanding)	97,874	14,829	—	—		
Series B2 contingently redeemable convertible preferred shares (US$0.00001 par value; 58,610,470 shares authorized , issued and outstanding)	537,556	81,448	—	—		
Series C1 contingently redeemable convertible preferred shares (US$0.00001 par value; 37,196,750 shares authorized , issued and outstanding	—	—	—	—		
Total mezzanine equity	991,110	150,168	—	—		
Equity						
Ordinary shares (US$0.00001 par value, 621,837,070 shares authorized, 96,352,410 shares issued and outstanding)	7	1	—	—		
Class A ordinary shares (par value of US$0.00001 per share; 470,000,000 shares authorized; shares issued and outstanding on a pro forma as adjusted basis)	—	—	—	—		
Class B ordinary shares (par value of US$0.00001 per share; 300,000,000 shares authorized; 244,515,340 shares issued and outstanding on a pro forma and a pro forma as adjusted basis)	—	—	16	2		
Additional paid-in capital	512,225	77,610	1,811,658	274,991		
Statutory reserves	14,143	2,143	14,143	2,143		
Accumulated other comprehensive income	1,474	224	1,474	224		
Accumulated deficit	(1,357,747)	(205,719)	(1,435,059)	(217,433)		
Non-controlling interest	120,371	18,238	120,371	18,238		
Total shareholders' (deficit) equity	(709,527)	(107,503)	512,583	77,665		
Total capitalization[1]	316,583	47,968	547,583	82,968		

(1) A US$1.00 increase (decrease) in the assumed initial public offering price of US$ per ADS would increase (decrease) each of additional paid-in capital, total shareholders' equity and total capitalization by US$ million.

DILUTION

If you invest in our ADSs, your interest will be diluted to the extent of the difference between the initial public offering price per ADS and our net tangible book value per ADS after this offering. Dilution results from the conversion of our preferred shares and the fact that the initial public offering price per Class A ordinary share is substantially in excess of the book value per ordinary share attributable to the existing shareholders for our presently outstanding ordinary shares.

Our net tangible book value as of December 31, 2010 was approximately US$ million, or US$ per ordinary share as of that date, and US$ per ADS. Net tangible book value represents the amount of our total consolidated tangible assets, excluding goodwill, acquired intangible assets and deferred IPO costs, less total consolidated liabilities.

Our pro forma net tangible book value as of December 31, 2010 was approximately US$ million, or US$ per ordinary share and US$ per ADS. Pro forma net tangible book value represents the total of our total consolidated tangible assets, excluding goodwill, acquired intangible assets and deferred IPO costs, less total consolidated liabilities after giving effect to (i) the issuance of a total of 37,196,750 Series C1 preferred shares on January 14, 2011 and February 17, 2011, and (ii) the conversion of all our outstanding ordinary shares and preferred shares, including the newly issued Series C1 preferred shares, into Class B ordinary shares. Dilution is determined by subtracting pro forma as adjusted net tangible book value per ordinary share, after giving effect to (i) the issuance of a total of 37,196,750 Series C1 preferred shares on January 14, 2011 and February 17, 2011, (ii) the conversion of all outstanding ordinary shares and preferred shares, including the newly issued Series C1 preferred shares, into Class B ordinary shares immediately prior to the completion of this offering and (iii) the proceeds that we will receive from this offering, based on the assumed initial public offering price per Class A ordinary share, which is the mid-point of the estimated initial public offering price range set forth on the front cover of this prospectus adjusted to reflect the ADS-to-ordinary share ratio, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

Without taking into account any other changes in net tangible book value after December 31, 2010, other than to give effect to (i) the issuance of a total of 37,196,750 Series C1 preferred shares on January 14, 2011 and February 17, 2011, (ii) the conversion of all outstanding ordinary shares and preferred shares, including the newly issued Series C1 preferred shares, into Class B ordinary shares immediately prior to the completion of this offering and (iii) our sale of the ADSs offered in this offering at the assumed initial public offering price of US$ per ADS, which is the mid-point of the estimated public offering price range set forth on the front cover of this prospectus, after the deduction of the underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of December 31, 2010 would have been US$ million, or US$ per outstanding ordinary share and US$ per ADS. This represents an immediate increase in pro forma net tangible book value of US$ per ordinary share and US$ per ADS to the existing shareholders and an immediate dilution in pro forma net tangible book value of US$ per ordinary share and US$ per ADS to investors purchasing ADSs in this offering.

The following table summarizes, on a pro forma as adjusted basis as of December 31, 2010, the differences between existing shareholders, including holders of our preferred shares (including the newly issued Series C1 preferred shares) that will be automatically converted into Class B ordinary shares immediately prior the completion of this offering, and the new investors with respect to the number of Class A ordinary shares (in the form of ADSs) purchased from us, the total consideration paid and the average price per ordinary share/ADS paid before deducting the underwriting discounts and commissions and estimated offering expenses. The total number of ordinary shares does not include ordinary shares underlying the ADSs issuable upon the exercise of the over-allotment option granted to the underwriters. The following table illustrates such dilution:

	Per Ordinary Share	Per ADS
Assumed initial public offering price	US$	US$
Net tangible book value per share as of December 31, 2010	US$	US$
Pro forma net tangible book value per share after giving effect to (i) the issuance of a total of 37,196,750 Series C1 preferred shares on January 14, 2011 and February 17, 2011; and (ii) the conversion of all our outstanding preferred shares (including the newly issued Series C1 preferred shares) into Class B ordinary shares	US$	US$
Pro forma as adjusted net tangible book value per share after giving effect to (i) the issuance of a total of 37,196,750 Series C1 preferred shares on January 14, 2011 and February 17, 2011; (ii) the conversion of all our outstanding preferred shares (including the newly issued Series C1 preferred shares) into Class B ordinary shares and (iii) our sales of ADSs in this offering	US$	US$
Amount of dilution in pro forma net tangible book value to new investors in this offering	US$	US$

A US$1.00 increase (decrease) in the assumed public offering price of US$ per ADS would increase (decrease) our pro forma as adjusted net tangible book value by US$ million, our pro forma as adjusted net tangible book value per ordinary share and per ADS by US$ per ordinary share and US$ per ADS, and the dilution in our pro forma as adjusted net tangible book value per ordinary share and per ADS to new investors in this offering by US$ per ordinary share and US$ per ADS, assuming no change to the number of ADSs offered by us as set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and other offering expenses payable by us in connection with this offering. The following table summarizes, on a pro forma basis as of December 31, 2010, the differences between existing shareholders and the new investors in this offering with respect to the number of ordinary shares (in the form of ADSs or shares convertible into ordinary shares) purchased from us, the total consideration paid and the average price per ordinary share/ADS paid. The total number of ordinary shares does not include ordinary shares underlying the ADSs issuable upon the exercise of the option to purchase additional ADSs granted to the underwriters.

	Ordinary Shares Purchased		Total Consideration		Average Price Per Ordinary Share	Average Price Per ADS
	Number	%	Amount	%		
Existing shareholders[1]		%	US$	%		
New investors		%	US$	%		
Total		100.0%	US$	100.0%		

(1) Assumes automatic conversion of all of our preferred shares, including the newly issued Series C1 preferred shares, into Class B ordinary shares immediately prior to completion of this offering.

A US$1.00 increase (decrease) in the assumed public offering price of US$ per ADS, would increase (decrease) total consideration paid by new investors in the offering and by all investors by US$ million

and would increase (decrease) the percentage of shares purchased and percentage of total consideration paid by new investors by % and %, respectively, before deducting the estimated underwriting discounts and commissions and offering expenses payable by us in connection with this offering.

The pro forma information discussed above is illustrative only. Our net tangible book value following the completion of this offering is subject to adjustment based on the actual initial public offering price of our ADSs and other terms of this offering determined at pricing.

The discussion and tables above also assume no exercise of any outstanding share options. As of the date of this prospectus, there were 25,639,510 ordinary shares issuable upon exercise of outstanding share options at a weighted average exercise price of US$ per share, and there were 10,946,120 ordinary shares available for future issuance upon the exercise of future grants under our amended 2010 share incentive plan. To the extent that any of these options are exercised, there will be further dilution to new investors.

EXCHANGE RATE INFORMATION

Substantially all of our operations are conducted in China and substantially all of our revenues are denominated in RMB. This prospectus contains translations of RMB amounts into U.S. dollars at specific rates solely for the convenience of the reader. Unless otherwise noted, all translations from RMB to U.S. dollars and from U.S. dollars to RMB in this prospectus were made at a rate of RMB6.6000 to US$1.00, the exchange rate set forth in the H.10 statistical release of the Board of Governors of Federal Reserve Bank on December 30, 2010. We make no representation that any RMB or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or RMB, as the case may be, at any particular rate, the rates stated below, or at all. The PRC government imposes control over its foreign currency reserves in part through direct regulation of the conversion of RMB into foreign exchange and through restrictions on foreign trade. On March 25, 2011, the certified exchange rate was RMB6.5568 to US$1.00.

The following table sets forth information concerning exchange rates between the RMB and the U.S. dollar for the periods indicated. These rates are provided solely for your convenience and are not necessarily the exchange rates that we used in this prospectus or will use in the preparation of our periodic reports or any other information to be provided to you. The source of these rates is the Federal Reserve Statistical Release.

Period	Noon Buying Rate			
	Period End	Average[1]	Low	High
	(RMB per US$1.00)			
2006	7.8041	7.9579	8.0702	7.8041
2007	7.2946	7.5806	7.8127	7.2946
2008	6.8225	6.9193	7.2946	6.7800
2009	6.8259	6.8295	6.8470	6.8176
2010	6.6000	6.7696	6.8330	6.6000
September	6.6905	6.7396	6.8102	6.6869
October	6.6707	6.6678	6.6912	6.6397
November	6.6670	6.6538	6.6892	6.6330
December	6.6000	6.6497	6.6745	6.6000
2011				
January	6.6017	6.5964	6.6364	6.5809
February	6.5713	6.5761	6.5965	6.5520
March (through March 25, 2011)	6.5568	6.5660	6.5743	6.5510

Source: Federal Reserve Statistical Release

(1) Annual averages are calculated using the average of month-end rates of the relevant year. Monthly averages are calculated using the average of the daily rates during the relevant period.

ENFORCEABILITY OF CIVIL LIABILITIES

We are incorporated in the Cayman Islands in order to take advantage of certain benefits associated with being a Cayman Islands exempted company, such as political and economic stability, an effective judicial system, a favorable tax system, the absence of exchange control or currency restrictions, and the availability of professional and support services. However, certain disadvantages accompany incorporation in the Cayman Islands. These disadvantages include a less developed body of Cayman Islands securities laws that provide significantly less protection to investors as compared to the laws of the United States, and the potential lack of standing by Cayman Islands companies to sue before the federal courts of the United States.

Our organizational documents do not contain provisions requiring that disputes, including those arising under the securities laws of the United States, between us, our officers, directors and shareholders, be arbitrated.

Substantially all of our operations are conducted in China, and substantially all of our assets are located in China. A majority of our officers are nationals or residents of jurisdictions other than the United States and a substantial portion of their assets are located outside the United States. As a result, it may be difficult for a shareholder to effect service of process within the United States upon these persons, or to enforce against us or them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States.

We have appointed Law Debenture Corporate Services Inc., located at 400 Madison Avenue, 4th Floor, New York, New York 10017, as our agent upon whom process may be served in any action brought against us under the securities laws of the United States.

Maples and Calder, our counsel as to Cayman Islands law, and King & Wood, our counsel as to PRC law, have advised us, respectively, that there is uncertainty as to whether the courts of the Cayman Islands and China, would:

- recognize or enforce judgments of United States courts obtained against us or our directors or officers predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States; or
- entertain original actions brought in either jurisdiction against us or our directors or officers predicated upon the securities laws of the United States or any state in the United States.

Maples and Calder has further advised us that a final and conclusive judgment in a federal or state court of the United States under which a sum of money is payable, other than a sum payable in respect of taxes, fines, penalties or similar charges, and which was neither obtained in a manner nor is of a kind enforcement of which is contrary to natural justice or the public policy of the Cayman Islands, may be subject to enforcement proceedings as a debt in the courts of the Cayman Islands under the common law without any re-examination of the merits of the underlying dispute. However, the Cayman Islands courts are unlikely to enforce a punitive judgment of a United States court predicated upon the liabilities provision of the federal securities laws in the United States without retrial on the merits if such judgment gives rise to obligations to make payments that may be regarded as fines, penalties or similar charges.

King & Wood has further advised us that 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 form 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, courts in the PRC will not enforce a foreign judgment against us or our directors and officers if they decide that the judgment violates the basic principles of PRC law 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.

OUR CORPORATE HISTORY AND STRUCTURE

Our History and Corporate Structure

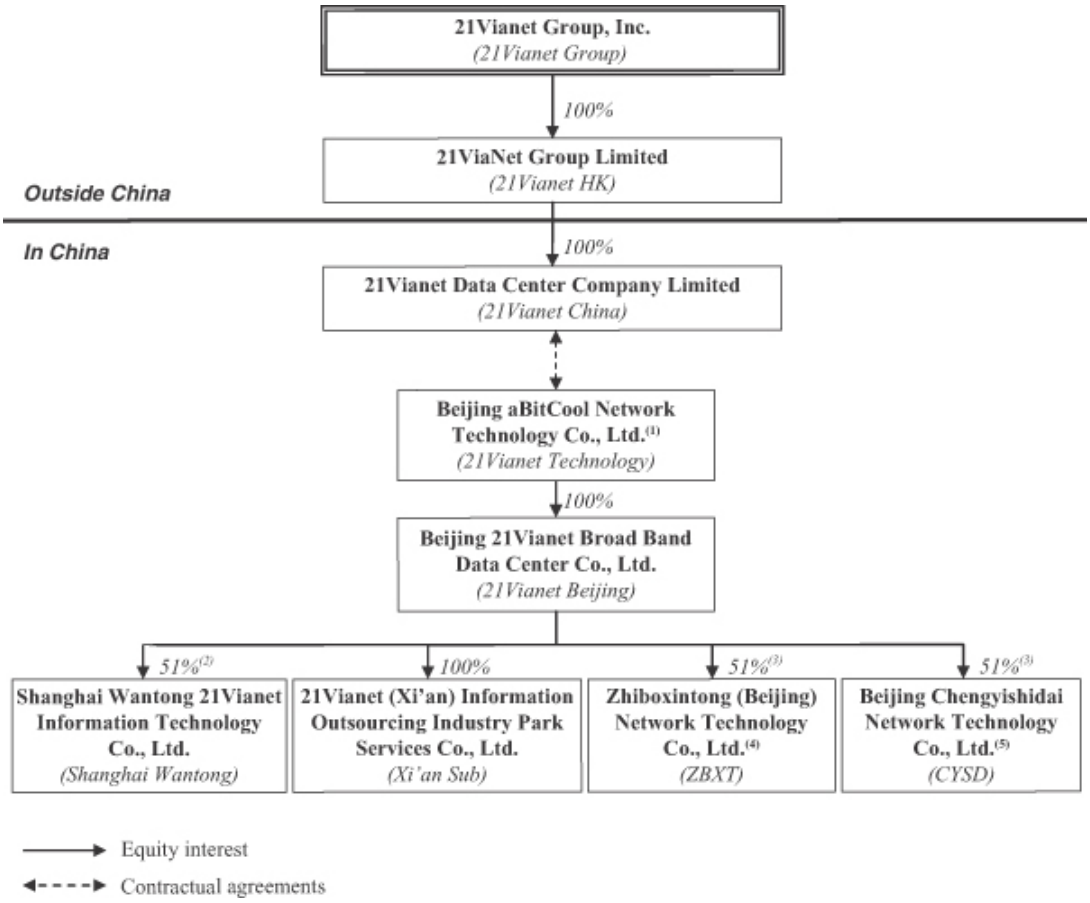
We commenced our operations in 1999, and through a series of corporate restructurings, set up a holding company, AsiaCloud, in October 2009 under the laws of the Cayman Islands. AsiaCloud was formerly a wholly-owned subsidiary of aBitCool, a company incorporated under the laws of the Cayman Islands. In October 2010, AsiaCloud effected a restructuring whereby AsiaCloud repurchased all its outstanding shares held by aBitCool and issued ordinary shares and preferred shares to the same shareholders of aBitCool. In connection with the restructuring, AsiaCloud subsequently changed its name to 21Vianet Group, Inc.

As part of our business expansion strategy to expand our managed network services, we acquired 51% equity interest in the two companies that provide managed network services, Zhiboxintong (Beijing) Network Technology Co., Ltd. and Beijing Chengyishidai Network Technology Co., Ltd., or Managed Network Entities, in September 2010, with an option to acquire the remaining 49% equity interest before December 31, 2011.

To focus on our core data center services, we disposed of Shanghai Guotong Network Co., Ltd., and Guangzhou Juliang Internet Information Technology Co., Ltd. to the nominee directors of aBitCool on April 30, 2009 and March 1, 2010, respectively.

Due to certain restrictions under the PRC laws on foreign ownership of entities engaged in data center and telecommunications value-added services, we conduct our operations in China through contractual arrangements among 21Vianet China, 21Vianet Technology and the shareholders of 21Vianet Technology. As a result of these contractual arrangements, we control 21Vianet Technology and have consolidated the financial information of 21Vianet Technology and its subsidiaries in our consolidated financial statements in accordance with U.S. GAAP. We own 100% of the equity interests of 21Vianet China through our subsidiary, 21Vianet HK, which was incorporated in Hong Kong in May 2007.

The following diagram illustrates our corporate structure as of the date of this prospectus:



(1) Messrs. Sheng Chen and Jun Zhang, our co-founders, held approximately 70% and 30% of the equity interests in 21Vianet Technology, respectively, and are parties to the contractual agreements through which we conduct our operations in China.
(2) The remaining 49% of the equity interest in Shanghai Wantong is owned by an company affiliated with a local government in Shanghai.
(3) We have an option to acquire the remaining 49% of equity interests in ZBXT and CYSD by December 31, 2011.
(4) ZBXT has four subsidiaries in China: Xingyunhengtong Beijing Network Technology Co., Ltd., Fuzhou Yongjiahong Communication Technology Co., Ltd., Beijing Bikonghengtong Network Technology Co., Ltd. and Beijing Bozhiruihai Network Technology Co., Ltd.
(5) CYSD has one subsidiary in China: Jiu Jiang Zhongyatonglian Network Technology Co., Ltd.

Contractual Arrangements with Our Consolidated VIE

PRC laws and regulations currently restrict foreign ownership of telecommunications value-added business. Because we are a Cayman Islands company, we are classified as a foreign enterprise under PRC laws and regulations and our wholly-owned PRC subsidiary, 21Vianet China, is considered as a wholly foreign-invested enterprise. To comply with PRC laws and regulations, we conduct our operations in China through a series of contractual arrangements among 21Vianet China, 21Vianet Technology and the shareholders of 21Vianet Technology. 21Vianet Technology is approximately 70% owned by Sheng Chen, our chairman and chief executive officer and 30% owned by Jun Zhang, our chief operating officer. Sheng Chen and Jun Zhang are PRC citizens and therefore, 21Vianet Technology is considered as a domestic company under the PRC laws.

We have relied and expect to continue to rely, on our consolidated variable interest entity to operate our telecommunications value-added business in China as long as PRC laws and regulations do not allow us to directly operate such business in China. Our contractual arrangements with 21Vianet Technology and its shareholders enable us to:

- exercise effective control over 21Vianet Technology;
- receive substantially all of the economic benefits of 21Vianet Technology in consideration for the services provided by 21Vianet China; and
- have an exclusive option to purchase all of the equity interest in 21Vianet Technology when permissible under PRC laws.

Accordingly, under U.S. GAAP, we consolidate 21Vianet Technology as our "variable interest entity" in our consolidated financial statements.

Our contractual arrangements with 21Vianet Technology and its shareholders are described in further detail as follows:

Agreements that Provide Us Effective Control

Loan Agreement. Each shareholder of 21Vianet Technology entered into a loan agreement on January 28, 2011. Pursuant to the agreements, 21Vianet China has provided interest-free loan facilities of RMB7.0 million and RMB3.0 million, respectively, to the two shareholders of 21Vianet Technology, Sheng Chen and Jun Zhang, which was used to provide capital to 21Vianet Technology to develop our data center and telecommunications value-added business and related businesses. There is no fixed term for the loan. To repay the loans, the shareholders of 21Vianet Technology are required to transfer their shares in 21Vianet Technology to 21Vianet China or any entity or person designated by 21Vianet China, as permitted under PRC laws. The shareholders of 21Vianet Technology also undertake not to transfer all or part of their equity interests in 21Vianet Technology to any third party, or to create any encumbrance, without the written permission from 21Vianet China.

Share Pledge Agreement. On February 23, 2011, 21Vianet China entered into a share pledge agreement with 21Vianet Technology and each of its shareholders. Pursuant to the share pledge agreement, each of the shareholders pledged his shares in 21Vianet Technology to 21Vianet China in order to secure the borrowers' payment obligations under the loan agreement. Each shareholder also agreed not to transfer or create any other security or restriction on the shares of 21Vianet Technology without the prior consent of 21Vianet China. 21Vianet China, at its own discretion, is entitled to acquire each shareholder's equity interests in 21Vianet Technology as permitted by PRC laws. We have registered the pledges of the equity interests in 21Vianet Technology with the local administration for industry and commerce.

Irrevocable Power of Attorney. Each shareholder of 21Vianet Technology has executed an irrevocable power of attorney. Pursuant to the irrevocable power of attorney, each shareholder appointed 21Vianet China or a person designated by 21Vianet China as his/her attorney-in-fact to attend shareholders' meeting of 21Vianet Technology, exercise all the shareholder's voting rights, including but not limited to, sale transfer, pledge or dispose of his/her equity interests in 21Vianet Technology. The power of attorney remains valid and irrevocable from the date of execution, so long as each shareholder remains the shareholder of 21Vianet Technology. The above irrevocable power of attorney was subsequently assigned to 21Vianet Group.

Agreements that Transfer Economic Benefits from our VIE to Us

Exclusive Technical Consulting and Services Agreement. On July 15, 2003, 21Vianet China and 21Vianet Technology entered into an exclusive service agreement, which was superseded by a new exclusive technical consulting and service agreement entered into among 21Vianet China, 21Vianet Technology and 21Vianet Beijing on December 19, 2006. 21Vianet China agreed to provide 21Vianet Technology and 21Vianet Beijing

with exclusive technical consulting and services, including Internet technology services and management consulting services. 21Vianet Technology and 21Vianet Beijing agreed to pay an hourly rate of RMB1,000 and the rate is subject to adjustment at the sole discretion of 21Vianet China. 21Vianet Technology and 21Vianet Beijing agreed that they will not accept similar or comparable service arrangements that may replace the services provided by 21Vianet China without prior written consent of 21Vianet China. 21Vianet China is entitled to have sole and exclusive ownership of all rights, title and interests to any and all intellectual property rights arising from the provision of services. The term of this agreement is 10 years. This agreement may be extended with 21Vianet China's written consent prior to the expiration date.

Optional Share Purchase Agreement. The optional share purchase agreement is entered into among 21Vianet China, 21Vianet Technology, 21Vianet Beijing and the shareholders of 21Vianet Technology. Pursuant to the agreement, the shareholders irrevocably grant 21Vianet China or its designated persons the sole option to acquire from the shareholders or 21Vianet Technology all or any part of the equity interests in 21Vianet Technology and 21Vianet Beijing when permissible under PRC laws. 21Vianet Technology and 21Vianet Beijing made certain covenants to maintain the value of the equity interests, including but not limited to, engage in the ordinary course of business, refrain from making loans and entering into agreements exceeding the value of RMB200,000 with the exception of transactions made in the ordinary course of business. The term of the agreement is 10 years, which is renewable at the sole discretion of 21Vianet China.

In the opinion of King & Wood, our PRC legal counsel, each of the contracts under the contractual arrangements among 21Vianet China, 21Vianet Technology and the shareholders of 21Vianet Technology governed by PRC law is valid and legal binding to each party of such agreements under PRC laws and regulations, and will not result in any violation of PRC laws or regulations currently in effect.

We have been advised by our PRC legal counsel, however, that there are substantial uncertainties regarding the interpretation and application of current and future PRC laws and regulations. Accordingly, there can be no assurance that the PRC regulatory authorities, in particular the Ministry of Industry and Information Technology, which regulates providers of telecommunications value-added services and other participants in the PRC telecommunications industry, and the Ministry of Commerce, will not in the future take a view that is contrary to the above opinion of our PRC legal counsel. We have been further advised by our PRC legal counsel that if the PRC government finds that the agreements that establish the structure for operating our value-added services in China do not comply with PRC government restrictions on foreign investment in the telecommunications industry, we could be subject to severe penalties including being prohibited from continuing our operations. See "Risk Factors—Risks Related to Our Corporate Structure—If the PRC government finds that the arrangements that establish the structure for operating our business do not comply with PRC government restrictions on foreign investment in the telecommunications business, we could be subject to severe penalties." In addition, these contractual arrangements may not be as effective in providing us with control over 21Vianet Technology as would direct ownership of 21Vianet Technology. See "Risk Factors—Risks Related to Our Corporate Structure—We rely on contractual arrangements with our consolidated variable interest entity and its respective shareholders for our China operations, which may not be as effective as direct ownership in providing operational control."

SELECTED CONSOLIDATED FINANCIAL AND OPERATING DATA

The following selected consolidated financial information for the periods and as of the dates indicated should be read in conjunction with our consolidated financial statements and related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus. Our selected consolidated financial data presented below for the years ended December 31, 2008, 2009 and 2010 and our balance sheet data as of December 31, 2009 and 2010 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. Our balance sheet data as of December 31, 2008 have been derived from our audited consolidated financial statements not included in this prospectus. Our audited consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, or U.S. GAAP.

We have not included financial information for the years ended December 31, 2006 and 2007, as such information is not available without unreasonable efforts or expense.

Our historical results do not necessarily indicate results expected for any future periods.

	For the Year Ended December 31,			
	2008	2009	2010	
	RMB	RMB	RMB	US$
	(in thousands, except share, per share and per ADS data)			
Consolidated Statement of Operations Data:				
Net revenues				
Hosting and related services	213,181	284,780	374,946	56,810
Managed network services	27,590	28,855	150,257	22,766
Total net revenues	240,771	313,635	525,203	79,576
Cost of revenues[1]	(174,598)	(229,304)	(396,858)	(60,130)
Gross profit	66,173	84,331	128,345	19,446
Operating expenses:				
Sales and marketing expenses[1]	(21,125)	(24,132)	(51,392)	(7,787)
General and administrative expenses[1]	(31,823)	(25,457)	(282,298)	(42,772)
Research and development costs[1]	(5,858)	(7,607)	(19,924)	(3,019)
Changes in the fair value of contingent purchase consideration payable	—	—	(7,537)	(1,142)
Operating profit (loss)	7,367	27,135	(232,806)	(35,274)
Interest income	1,643	827	580	88
Interest expense	(1,297)	(416)	(2,793)	(423)
Other income	2,294	694	1,152	175
Other expenses	(1,123)	(1,207)	(906)	(137)
Foreign exchange gain	5,545	88	1,646	249
Profit (loss) from continuing operations before income taxes	14,429	27,121	(233,127)	(35,322)
Income tax (expense) benefit	(3,821)	32,860	(1,588)	(241)
Net profit (loss) from continuing operations	10,608	59,981	(234,715)	(35,563)
Loss from discontinued operations	(28,566)	(63,910)	(12,952)	(1,962)
Net loss	(17,958)	(3,929)	(247,667)	(37,525)
Net loss attributable to non-controlling interest	(295)	(1,990)	(7,722)	(1,170)
Net loss attributable to the Company's ordinary shareholders	(18,253)	(5,919)	(255,389)	(38,695)
Loss per share:				
Basic	(0.26)	(0.08)	(3.57)	(0.54)
Diluted	(0.10)	(0.03)	(3.57)	(0.54)
Loss per ADS[2]				
Basic				
Diluted				
Shares used in loss per share computation:				
Basic	71,526,320	71,526,320	71,526,320	71,526,320
Diluted	182,492,500	182,492,500	71,526,320	71,526,320
Pro forma earnings (loss) per share (unaudited):				
Net profit (loss) from continuing operations			(1.33)	(0.20)
Loss from discontinued operations			(0.07)	(0.01)
Basic			(1.40)	(0.21)
Net profit (loss) from continuing operations			(1.33)	(0.20)
Loss from discontinued operations			(0.07)	(0.01)
Diluted			(1.40)	(0.21)
Weighted average number of ordinary shares used in pro forma earnings (loss) per share computation (unaudited):				
Basic			182,492,500	182,492,500
Diluted			182,492,500	182,492,500

(1) Includes share-based compensation expenses as follows:

	For the Year Ended December 31,			
	2008	2009	2010	
	RMB	RMB	RMB	US$
	(in thousands)			
Allocation of share-based compensation expenses:				
Cost of revenues	—	—	4,645	704
Sales and marketing expenses	—	—	11,884	1,801
General and administrative expenses	—	—	254,936	38,626
Research and development costs	—	—	6,416	972
Total share-based compensation expenses	—	—	277,881	42,103

(2) Each ADS represents Class A ordinary shares.

The following table presents a summary of our consolidated balance sheet data as of December 31, 2008, 2009 and 2010.

	As of December 31,					
	2008	2009	2010			
	RMB	RMB	RMB	US$	Pro forma[1] US$	Pro forma as adjusted[2] US$
	(in thousands)					
Consolidated Balance Sheet Data:						
Cash and cash equivalents	75,338	71,998	83,256	12,615		
Accounts receivable	39,814	40,262	76,373	11,572		
Total current assets	133,522	213,838	193,957	29,388		
Property and equipment, net	93,308	99,103	197,015	29,851		
Intangible assets	22,830	17,161	157,086	23,801		
Goodwill	12,507	12,507	170,171	25,784		
Total assets	263,067	347,123	725,587	109,939		
Total current liabilities	272,824	315,734	210,559	31,903		
Total liabilities	307,912	326,929	444,004	67,274		
Total mezzanine equity	991,110	991,110	991,110	150,168		
Total shareholders' (deficit) equity	(1,035,955)	(970,916)	(709,527)	(107,503)		

Notes: (1) The pro forma consolidated balance sheet data as of December 31, 2010 has been adjusted to give effect to (A) the issuance of a total of 37,196,750 Series C1 preferred shares on January 14, 2011 and February 17, 2011, with net proceeds of US$35.0 million and (B) the automatic conversion of all of our outstanding ordinary shares and preferred shares into Class B ordinary shares immediately prior to completion of this offering.

(2) The pro forma as adjusted consolidated balance sheet data as of December 31, 2010 has been adjusted to give effect to (A) the pro forma adjustments as set forth in (1) above and (B) the issuance and sale of Class A ordinary shares in the form of ADSs by us in this offering, at the initial public offering price of US$ per ADS, the mid-point of the estimated range of the initial public offering price shown on the front cover of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

The following table presents certain selected operating data as of and for the dates and periods indicated.

	As of and for the Year Ended December 31,		
	2008	2009	2010
Selected Operating Data:			
Number of cabinets at period end	2,787	4,157	5,750
Average monthly recurring revenues (RMB in thousands)	20,731	24,363	41,884
Number of customers at period end	1,224	1,225	1,355
Churn rate as measured by monthly recurring revenues	3.3%	0.8%	0.9%

The following table presents certain unaudited non-GAAP financial data for the periods indicated.

	For the Year Ended December 31,			
	2008	2009	2010	
	RMB	RMB	RMB	US$
	(in thousands)			
Non-GAAP Financial Data:				
Adjusted gross profit[1]	68,505	86,478	141,990	21,514
Adjusted net profit[2]	7,666	24,902	59,454	9,008
EBITDA[3]	22,546	48,110	(201,761)	(30,570)
Adjusted EBITDA[4]	22,546	48,110	83,657	12,675

Notes:
(1) We define adjusted gross profit as gross profit excluding share-based compensation expenses and amortization expenses of intangible assets related to acquisitions.
(2) We define adjusted net profit as net profit (loss) from continuing operations excluding share-based compensation expenses, acquisition-related intangible assets amortization, changes in the fair value of contingent purchase consideration payable and unrecognized tax benefits, tax incentive receipt and outside basis difference.
(3) We define EBITDA as net profit (loss) from continuing operations before income tax expense (benefit), foreign exchange gain, other expenses, other income, interest expense, interest income, income tax expense, depreciation and amortization.
(4) We define adjusted EBITDA as EBITDA excluding share-based compensation expenses and changes in the fair value of contingent purchase consideration payable.

Our adjusted gross profit, adjusted net profit, EBITDA and adjusted EBITDA are calculated as follows for the periods presented:

	For the Year Ended December 31,			
	2008	2009	2010	
	RMB	RMB	RMB	US$
	(in thousands)			
Gross profit	66,173	84,331	128,345	19,446
Plus: share-based compensation expenses	—	—	4,645	704
Plus: amortization expenses of intangible assets derived from acquisitions	2,332	2,147	9,000	1,364
Adjusted gross profit	**68,505**	**86,478**	**141,990**	**21,514**
Net profit (loss) from continuing operations	10,608	59,981	(234,715)	(35,563)
Plus: share-based compensation expenses	—	—	277,881	42,103
Plus: amortization expenses of intangible assets derived from acquisitions	2,332	2,147	9,000	1,364
Plus: changes in the fair value of contingent purchase consideration payable	—	—	7,537	1,142
Less: unrecognized tax benefits, tax incentive receipt and outside basis difference	(5,274)	(37,226)	(249)	(38)
Adjusted net profit	**7,666**	**24,902**	**59,454**	**9,008**
Net profit (loss) from continuing operations	10,608	59,981	(234,715)	(35,563)
Plus: income tax expense (benefit)	3,821	(32,860)	1,588	241
Less: foreign exchange gain	(5,545)	(88)	(1,646)	(249)
Plus: other expenses	1,123	1,207	906	137
Less: other income	(2,294)	(694)	(1,152)	(175)
Plus: interest expense	1,297	416	2,793	423
Less: interest income	(1,643)	(827)	(580)	(88)
Plus: depreciation	12,263	15,990	19,673	2,981
Plus: amortization	2,916	4,985	11,372	1,723
EBITDA	**22,546**	**48,110**	**(201,761)**	**(30,570)**
Plus: share-based compensation expenses	—	—	277,881	42,103
Plus: changes in the fair value of contingent purchase consideration payable	—	—	7,537	1,142
Adjusted EBITDA	**22,546**	**48,110**	**83,657**	**12,675**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial position and results of operations in conjunction with the section entitled "Selected Consolidated Financial Data" and our consolidated financial statements and the related notes included elsewhere in this prospectus. This 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 "Risk Factors" and elsewhere in this prospectus.

Overview

We are the largest carrier-neutral Internet data center services provider in China as measured by revenues in 2009, according to data released by IDC, a third-party research firm. We host and provide interconnectivity for our customers' servers and networking equipment to improve the performance, availability and security of their Internet infrastructure. We also provide managed network services to enable customers to deliver data across the Internet in a faster and more reliable manner through our extensive data transmission network and our proprietary BroadEx smart routing technology. We believe that the scale of our data center and networking assets uniquely positions us to capture opportunities and become a leader in the rapidly emerging market for cloud computing infrastructure services in China.

We have benefited from our premium data centers and extensive interconnected nationwide data transmission network, diversified and loyal customer base and our strong focus on customer satisfaction and technological innovation. Going forward, we expect that we will continue to benefit from the growth of China's data center services market. However, we also face risks and uncertainties, including those relating to our ability to successfully implement our expansion plan, our integration of newly acquired businesses, our competition with, and dependency on, China Telecom and China Unicom, our ability to attract new customers and retain existing customers and our ability to control costs as a result of being a public company. In particular, we plan to increase the aggregate number of cabinets under our management from over 5,700 cabinets as of December 31, 2010 to more than 10,000 cabinets by the end of 2013 through adding new self-built data centers and partnered data centers. If we are not able to successfully implement our expansion plan or our planned expansion does not achieve the desired results, our business and results of operations could be materially and adversely affected.

As part of our business expansion strategy to expand our managed network services, we acquired 51% equity interest in the Managed Network Entities on September 30, 2010, with an option to acquire the remaining 49% equity interest before December 31, 2011. The results of operations of the Managed Network Entities have been consolidated into our results of operations since October 1, 2010.

To stay focused on our long-term growth strategy in providing data center services, we disposed certain businesses that were not part of our core data center services business as of March 31, 2010. Accordingly, the financial results associated with these disposed businesses have been presented as discontinued operations for all periods presented in this prospectus. Unless otherwise indicated, all the financial and operating data discussed in this prospectus relate to our continuing operations only.

Our net revenues increased from RMB240.8 million in 2008, to RMB313.6 million in 2009 and to RMB525.2 million (US$79.6 million) in 2010, representing a CAGR of 47.7% from 2008 to 2010. The total number of cabinets under our management increased from 2,787 as of December 31, 2008, to 4,157 as of December 31, 2009 and to 5,750 as of December 31, 2010. Our average monthly recurring revenues increased from RMB20.7 million in 2008 to RMB24.4 million in 2009 and to RMB41.9 million (US$6.3 million) in 2010. We recorded a net profit from continuing operations of RMB10.6 million and RMB60.0 million in 2008 and 2009, respectively. Our net loss from continuing operations in 2010 was RMB234.7 million (US$35.6 million), which reflected share-based compensation expenses of RMB277.9 million (US$42.1 million).

Key Factors Affecting Our Results of Operations

Our business and operating results are generally affected by the development of China's data center services market. We have benefited from the rapid growth of China's data center services market during the recent years. According to IDC, the data center services market in China was US$667.1 million in 2009, a 22.7% increase over 2008, and is expected to reach US$1.9 billion by 2014, representing a five-year CAGR of 23.8%. However, any adverse changes in the data center services market in China may harm our business and results of operations.

While our business is influenced by factors affecting the data center services market in China generally, we believe that our results of operations are more directly affected by company-specific factors, including number of cabinets under management and cabinet utilization rate, monthly recurring revenues and churn rate, pricing, expansion of our managed network services and our cost structure.

Number of Cabinets under Management and Cabinet Utilization Rate

Our revenues are directly affected by the number of cabinets under management and the utilization rates of these cabinet spaces. We had 2,787, 4,157 and 5,750 cabinets under management as of December 31, 2008 and 2009 and 2010, respectively. Our average monthly cabinet utilization rates were 79.6%, 80.9% and 78.8% in 2008, 2009 and 2010, respectively. Our future operating results and growth prospects will largely depend on our ability to increase the number of cabinets under management while maintaining optimal cabinet utilization rate. With the rapid growth of China's Internet industry, demand for cabinet spaces has increased significantly and we do not always have sufficient self-built capacity to meet such demand. It usually takes six to eight months to build a data center with cabinets and equipment installed. To meet our customers' immediate demand, we may partner with China Telecom or China Unicom and lease cabinets from them. Due to the time needed to build data centers and the long-term nature of these investments, if we over-estimate the market demand for cabinets, it will lower our cabinet utilization rate and affect our results of operations.

Monthly Recurring Revenues and Churn Rate

Our average monthly recurring revenues and churn rate directly affect our results of operations. Our business is based on a recurring revenue model comprised of hosting services and managed network services. We consider these services recurring as our customers are generally billed and recognized on a fixed and recurring basis each month for the duration of their contract, which is generally one year in length. Our non-recurring revenues are primarily comprised of fees charged for installation services, additional bandwidth used by customers beyond contracted amount and other value-added services. These services are considered to be non-recurring as they are billed and recognized typically once and upon completion of the installation, bandwidth used or value-added services work performed. We use "monthly recurring revenues" to measure those revenues recognized on a fixed and recurring basis each month. Recurring revenues have comprised more than 90% of our total revenues for each of the months during the past three years. Our average monthly recurring revenues increased from RMB20.7 million in 2008 to RMB24.4 million in 2009 and to RMB41.9 million (US$6.3 million) in 2010.

We use "churn rate" to measure the reduction of monthly revenues as a percentage of total monthly recurring revenues of the previous month that are attributable to the non-renewal or termination of customer contracts. Our average monthly average churn rates as measured by monthly recurring revenues were 3.3%, 0.8% and 0.9% in 2008, 2009 and 2010, respectively.

As our business grows, we expect that our monthly recurring revenues will continue to increase and we expect that we can maintain a relatively low churn rate.

Pricing

Our results of operations also depend on the price level of our services. Due to the quality of our services and our optimized interconnectivity among carriers and networks, we are generally able to command premium pricing for our services. Nonetheless, because we are generally regarded as a premium data center and network service provider, many customers only place their mission critical servers and equipment in our data centers, but not the bulk of their needs. As we try to acquire more business from new and existing customers, we may need to lower our prices or provide other incentives.

Expansion of Managed Network Services

We started offering managed network services in 2008 and revenues derived from managed network services constituted 11.5%, 9.2%, and 28.6% of our total net revenues in 2008, 2009 and 2010, respectively. With the acquisition of the Managed Network Entities in September 2010, our revenues from managed network services have substantially increased from 2009 to 2010 and we expect that revenues from managed network services to continue to increase in 2011. We also believe our managed network services will benefit from the growing market demands for faster data transmission and better interconnection, and we will see significant revenue growth attributable to our managed network service in the coming years.

However, as we further expand our managed network services, we will incur additional costs to purchase equipment and lease more optical fibers to establish more POPs and provide sufficient bandwidth. Also, acquired assets or businesses may not generate the financial results we expect. Acquisitions could also result in the use of substantial amount of cash, potentially dilutive issuances of equity and equity-linked securities, significant goodwill impairment charges, amortization expenses for other intangible assets and exposure to potential unknown liabilities of the acquired business.

Our Cost Structure

Our ability to maintain and improve our gross margins depends on our ability to effectively manage our cost of revenues, which consist of telecommunications costs and other data center related costs. Telecommunications costs refer to expenses associated with acquiring bandwidth and related resources from carriers for our data centers. Telecommunications costs also cover rentals, utilities and other costs in connection with the cabinets we lease from our partnered data centers. Other costs include utilities and rental expenses for our self-built data centers, payroll, depreciation and amortization of our property and equipment, and other costs. These costs increase as the number of our cabinets under management increases and as we expand our headcount.

The mix of the self-built data centers and partnered data centers also affects our cost structure. Gross margin for cabinets located in our partnered data centers is generally lower than cabinets located in our self-built data centers. This is because telecommunication carriers who lease cabinet spaces to us for our partnered data centers would demand a profit on top of their costs in connection with the leasing of cabinet spaces to us. We plan to continue to lease data centers from such carriers to meet the immediate market demand while build data centers in Beijing, Shanghai, Shenzhen, Hangzhou, Xi’an and the greater Guangzhou metropolitan area. If we cannot effectively manage the market demand and increase the number of cabinets located in self-built data centers relatively to partnered data centers, we may not be able to improve our gross margins.

Acquisitions

As part of our business expansion strategy to expand our managed network services, we acquired a 51% equity interest in the Managed Network Entities in September 2010, with an option to acquire the remaining 49% equity interest before December 31, 2011. We have paid RMB50 million consideration to the seller of the Managed Network Entities and agreed to pay additional contingent consideration based on certain financial and

operating metrics of the Managed Network Entities. We currently intend to exercise the option before its expiration to acquire the remaining 49% interest in the Managed Network Entities. According to the purchase agreement we entered into in September 2010, in order to acquire the remaining 49% equity interest, we will need to pay consideration determined using the proportionate amount of the finalized cash consideration for the initial 51% acquisition. We intend to pay cash consideration ranging from RMB60.0 million (US$9.1 million) to RMB73.5 million (US$11.1 million). In addition, we plan to issue 9,665,540 shares to 11,835,360 shares based on the 2011 operating results of Managed Network Entities to the management of Managed Network Entities under our 2010 share incentive plan. We are discussing with the sellers of the Managed Network Entities with respect to the timing, forms and final terms of the payment.

We consolidated the operating results of the Managed Network Entities starting from the fourth quarter of the 2010. The Managed Network Entities contributed RMB60.2 million (US$9.1 million) net revenues during the fourth quarter of 2010.

Major Components of Results of Operations

Net Revenues

The following table sets forth our revenues derived from our hosting and related services and managed network services, both in an absolute amount and as a percentage of total net revenues from our continuing operations, for the periods presented.

	For the Year Ended December 31,						
	2008		2009		2010		
	RMB	%	RMB	%	RMB	US$	%
	(in thousands, except percentages)						
Net Revenues							
Hosting and related services	213,181	88.5%	284,780	90.8%	374,946	56,810	71.4%
Managed network services	27,590	11.5%	28,855	9.2%	150,257	22,766	28.6%
Total net revenues	240,771	100.0%	313,635	100.0%	525,203	79,576	100.0%

Hosting and Related Services

Historically, hosting and related services have been our primary sources of revenues. Hosting and related services include managed hosting services, interconnectivity services and value-added services. Revenues from our hosting and related services were RMB213.2 million, RMB284.8 million and RMB374.9 million (US$56.8 million) in 2008, 2009 and 2010, respectively, representing 88.5% and 90.8% and 71.4% of our total net revenues in the respective periods. We generally enter into contracts with our customers with terms ranging from one to five years and most of our customer contracts have an automatic renewal provision. Customers generally pay our service fees on a monthly basis according to the amount of hosting spaces, the bandwidth and other value-added services they used or leased in the previous month.

Managed Network Services

Revenues from our managed network services have significantly increased both in absolute amounts and, more recently, as a percentage of our total revenues. Revenues from our managed network services were RMB27.6 million, RMB28.9 million and RMB150.3 million (US$22.8 million) in 2008, 2009 and 2010, respectively, representing 11.5%, 9.2% and 28.6% of our net revenues in the respective periods. Our managed network services help our customers optimize the Internet routing experience through our proprietary BroadEx smart routing technology and our extensive data transmission network. Contracts with customers of our managed network services generally have one-year terms with an automatic renewal provision. We charge our customers a monthly fee for the bandwidth optimized through our managed network services. With the acquisition of the Managed Network Entities in September 2010, our revenues from managed network services have substantially increased from 2009 to 2010 and we expect that revenues from managed network services to continue to increase in 2011.

Cost of Revenues

Our cost of revenues primarily consists of telecommunications cost, and other costs. The following table sets forth, for the periods indicated, our cost of revenues, in absolute amounts and as a percentage of our total net revenues:

	For the Year Ended December 31,						
	2008		2009		2010		
	RMB	%	RMB	%	RMB	US$	%
	(in thousands, except percentages)						
Cost of revenues:							
Telecommunications costs	135,215	56.2%	180,612	57.6%	322,701	48,894	61.5%
Others	39,383	16.3%	48,692	15.5%	74,157	11,236	14.1%
Total cost of revenues	174,598	72.5%	229,304	73.1%	396,858	60,130	75.6%

Telecommunications costs refer to expenses incurred in acquiring telecommunication resources from carriers for our data centers, including bandwidth and cabinet leasing costs that cover rentals, utilities and other costs associated with the cabinets we lease from our partnered data centers. Our other costs of revenues includes utilities costs for our self-built data centers, depreciation and amortization, payroll and other compensation costs and other miscellaneous items related to our service offerings. We expect that our cost of revenues will continue to increase as our business expands, both organically and as a direct result of acquiring the Managed Network Entities. Going forward, we anticipate recording significant expenses related to the amortization of the intangible assets related to the acquisition of the Managed Network Entities.

Operating Expenses

Our operating expenses consist of sales and marketing expenses, general and administrative expenses and research and development expenses. The following table sets forth our operating expenses for our continuing operations, both as an absolute amount and as a percentage of net revenues for the periods indicated.

	For the Year Ended December 31,						
	2008		2009		2010		
	RMB	% of Net Revenues	RMB	% of Net Revenues	RMB	US$	% of Net Revenues
	(in thousands, except percentages)						
Operating expenses:							
Sales and marketing expenses[(1)]	21,125	8.8%	24,132	7.7%	51,392	7,787	9.8%
General and administrative expenses[(1)]	31,823	13.2%	25,457	8.1%	282,298	42,772	53.7%
Research and development costs[(1)]	5,858	2.4%	7,607	2.4%	19,924	3,019	3.8%
Changes in the fair value of contingent purchase consideration payable	—	—	—	—	7,537	1,142	1.4%
Total Operating Expenses[(1)]	58,806	24.4%	57,196	18.2%	361,151	54,720	68.7%

(1) Includes share-based compensation expenses as follows:

	For the Year Ended December 31,			
	2008	2009	2010	
	RMB	RMB	RMB	US$
	(in thousands)			
Allocation of share-based compensation expenses:				
Sales and marketing expenses	—	—	11,884	1,801
General and administrative expenses	—	—	254,936	38,626
Research and development costs	—	—	6,416	972
Total share-based compensation expenses	—	—	273,236	41,399

Sales and Marketing Expenses

Our sales and marketing expenses primarily consist of compensation and benefit expenses for our sales and marketing staff, including share-based compensation expense, as well as advertisement and agency service fees. Our sales and marketing expenses also include office-related expenses and business development expenses incurred associated with our sales and marketing activities. To a lesser extent, our sales and marketing expenses include depreciation of equipment used associated with our selling and marketing activities. As our business expands, we expect to increase the headcount of our sales and marketing staff and as a result, increase our sales and marketing expenses.

General and Administrative Expenses

Our general and administrative expenses primarily consist of compensation and benefits paid to our management and administrative staff, including share-based compensation expenses, the cost of third-party professional services, and depreciation and amortization of property and equipment used in our administrative activities. Our general and administrative expenses, to a lesser extent, also include office rent, office-related expenses, and expenses associated with training and team building activities. Primarily due to our RMB254.9 million (US$38.6 million) share-based compensation expenses incurred in 2010, our general and administrative expenses amounted to RMB282.3 million (US$42.8 million) in 2010, compared to RMB25.5 million in 2009. As further discussed below, we expect that our share-based compensation in 2011 will decrease significantly, and as a result, our total general and administrative expenses are expected to decrease in 2011 compared to 2010. However, except for the share-based compensation expenses, we expect that our other general and administrative expense items, such as salaries paid to our management and administrative staff as well as professional services fees, will increase as we expand our business and consolidate the operations of the Managed Network Entities.

Research and Development Expenses

Our research and development expenses primarily include salaries, employee benefits, share-based compensation expenses and other expenses incurred in connection with our technological innovations, such as container data centers and our proprietary BroadEx smart routing technology. We anticipate that our research and development expenses will continue to increase as we devote more resources to develop and improve technologies, enhance our service offerings and improve operating efficiencies.

Share-Based Compensation Expenses

Our share-based compensation expenses include share options granted under our amended 2010 share incentive plan and fully-vested ordinary shares set aside and held by Sunrise Corporate Holding Ltd., or Sunrise, for our employees and non-employees. As a result, we recorded share-based compensation expenses in the amount of RMB277.9 million (US$42.1 million) in 2010, of which RMB206.1 million (US$31.2 million) are related to the fully-vested ordinary shares and RMB71.8 million (US$10.9 million) are related to the share options. In 2010, we allocated RMB273.2 million (US$41.4 million) share-based compensation to operating expenses.

In July 2010, our board of directors and shareholders adopted our 2010 share incentive plan. We subsequently amended our 2010 Share Incentive Plan on January 14, 2011 in connection with our corporate restructuring. As of the date of this prospectus, we have granted options to purchase 24,386,470 ordinary shares. As a result, we recorded share-based compensation expenses in the amount of RMB71.8 million (US$10.9 million) in 2010 in connection with our option grants. Our significant share-based compensation expenses in the third quarter of 2010 were primarily attributable to the fact that a significant portion of the options granted in July 2010 vested immediately upon grant to reward our employees for their past contributions. Going forward, we plan to grant share incentive awards that will vest pro rata during the relevant vesting periods.

On December 31, 2010, we issued 24,826,090 ordinary shares to Sunrise, a company owned by Mr. Sheng Chen, our chief executive officer, for nominal consideration. These ordinary shares are fully-vested, non-assessable and not subject to any redemption, repurchase or similar rights. Sunrise intends to in turn transfer these shares to employees of our continuing operations and discontinued operations. On the grant date, we recorded share-based compensation expense in the amount of RMB206.1 million (US$31.2 million) in general and administrative expenses which represent the estimated fair value of the ordinary shares issued. This issuance was a one-time grant and we do not plan to make any similar grant in the near future.

Amortization Expenses for Intangible Assets

Although amortization expenses for intangible assets have not been a significant factor affecting our results of operations, we expect that such amortization expenses will increase in the near term. In 2008, 2009 and 2010, our amortization expenses were RMB2.9 million, RMB5.0 million and RMB11.4 million (US$1.7 million), respectively. Primarily due to our acquisition of the Managed Network Entities in September 2010, our intangible assets increased significantly from RMB17.2 million as of December 31, 2009 to RMB157.1 million (US$23.8 million) as of December 31, 2010. We estimate that our amortization expenses for the intangible assets will be RMB28.9 million for 2011 and RMB21.2 million for 2012.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of our consolidated financial statements requires us to make estimates and judgments that affect the reported amounts in our consolidated financial statements. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Although actual results have historically been reasonably consistent with management's expectations, actual results may differ from these estimates or our estimates may be affected by different assumptions or conditions.

Some of our accounting policies require higher degrees of judgment than others in their application. When reviewing our consolidated financial statements, you should consider (i) our selection of critical accounting policies, (ii) the judgment and other uncertainties affecting the application of such policies and (iii) the sensitivity of reported results to changes in conditions and assumptions. We consider the policies discussed below to be critical to an understanding of our consolidated financial statements as their application places significant demands on the judgment of our management. We believe the following critical accounting policies are the most significant to the presentation of our financial statements and some of which may require the most difficult, subjective and complex judgments and should be read in conjunction with our consolidated financial statements, the risks and uncertainties described under "Risk Factors" and other disclosures included in this prospectus.

Revenue Recognition

We host our customers' servers and networking equipment, improving the performance, availability and security of their Internet services. We also provide managed network services to enable our customers to deliver data across Internet in a faster and more reliable manner. Consistent with the criteria of Staff Accounting Bulletin No. 104, "Revenue Recognition", we recognize revenue from sales of these services when there is a signed sales agreement with fixed or determinable fees, services have been provided to the customer and collection of the resulting customer's receivable is reasonably assured.

Our services are generally provided under the terms of a one-year master service agreement, which is typically accompanied with a one-year term renewal option with the same terms and conditions. Customers choose at the outset of the arrangement to either use our services through a monthly fixed bandwidth or traffic

volume usage and fee arrangement or choose a plan based on actual bandwidth or traffic volume used during the period at fixed pre-set rates. We recognize and bill for revenue for excess usage, if any, in the month of its occurrence to the extent a customer's usage of the services exceeds their pre-set monthly fixed bandwidth usage and fee arrangements. The rates as specified in the master service agreements are fixed for the duration of the contract term and are not subject to adjustment.

Fair Value of Financial Instruments

Our financial instruments include cash and cash equivalents, restricted cash, accounts receivable, other receivables, short-term bank borrowings, accounts and notes payable balances with related parties, other payables, capital lease obligations and preferred shares. Other than the Company's preferred shares, the carrying values of these financial instruments approximate their fair values due to their short-term maturities.

Our Series A preferred shares and Series B preferred shares are initially recognized at fair value. The contingent consideration in both cash and shares and the option to acquire our shares are initially measured at fair value on the date of acquisition of the Managed Network Entities and subsequently at the end of each reporting period with an adjustment for fair value recorded to current period expense. Our call option to purchase the remaining 49% equity interests in the Managed Network Entities is also initially measured at fair value and is recognized as part of non-controlling interest as it is an embedded feature in the Managed Network Entities' shares, which does not qualify for bifurcation accounting. We, with the assistance of an independent third party valuation firm, determined the estimated fair value of our preferred shares, the contingent consideration in both cash and shares, the option to acquire our shares and the call option, recorded in the consolidated financial statements.

Business Combinations

In 2009, we adopted ASC 805, Business Combinations, which revised the accounting guidance in FASB Statement No. 141, Business Combinations that we were required to apply to our acquisition of Shanghai Guotong Network Co., Ltd., or Shanghai Guotong, in June 2007. We acquired the Managed Network Entities in September 2010 and have accounted for the acquisition pursuant to ASC 805. ASC 805 requires us to recognize separately from goodwill the assets acquired and the liabilities assumed at their acquisition date fair values. Goodwill as of the acquisition date is measured as the excess of consideration transferred and the net of the acquisition date fair values of the assets acquired and the liabilities assumed. In cases where we acquire less than 100% ownership interest, we will derive the fair value of the acquired business as a whole, which will typically include a control premium and subtract the consideration transferred by us for the controlling interest to identify the fair value of the noncontrolling interest. In addition, the share purchase agreements entered into may contain contingent consideration provisions obligating us to pay additional purchase consideration, upon the acquired business's achievement of certain agreed upon operating performance based milestones. Under ASC 805, these contingent consideration arrangements are required to be recognized and measured at fair value at the acquisition date as either a liability or as an equity instrument, with liability instruments being required to be remeasured at each reporting period through the results of our operations.

For example, in connection with our acquisition of the Managed Network Entities, we determine the estimated fair value of acquired identifiable intangible and tangible assets as well as assumed liabilities with the assistance of an independent third party valuation firm. We derive estimates of the fair value of assets acquired and liabilities assumed using reasonable assumptions based on historical experiences and on the information obtained from management of the acquired companies. Critical estimates in valuing certain of the acquired intangible assets required us to but were not limited to the following: deriving estimates of future expected cash flows from the acquired business, the determination of an appropriate discount rate, deriving assumptions regarding the period of time that the acquired vendor contracts and customer relationship arrangements would continue and the initial measurement and recognition of any contingent consideration arrangements and the

evaluation of whether contingent consideration arrangement is in substance compensation for future services. Unanticipated events may occur which may affect the accuracy or validity of such assumptions or estimates.

Discontinued Operations

When a component of an entity has been disposed of and we will no longer have significant continuing involvement in the operations of component, such results are classified as discontinued operations in our consolidated statements of operations.

We determined the results of our discontinued operations using a combination of specific identification of revenues and certain costs. When specific determination is not available, we allocate the remaining costs using applicable cost drivers.

Income Taxes

In determining taxable income for financial statement reporting purposes, we must make certain estimates and judgments. These estimates and judgments are applied in the calculation of certain tax liabilities and in the determination of the recoverability of deferred tax assets, which arise from temporary differences between the recognition of assets and liabilities for tax and financial statement reporting purposes.

We must assess the likelihood that we will be able to recover our deferred tax assets. If recovery is not likely, we must increase our provision for taxes by recording a charge to income tax expense, in the form of a valuation allowance, for the deferred tax assets that we estimate will not ultimately be recoverable. We consider past performance, future expected taxable income and prudent and feasible tax planning strategies in determining the need for a valuation allowance.

In addition, the calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax rules and the potential for future adjustment of our uncertain tax positions by the various jurisdictional tax authorities. If our estimates of these taxes are greater or less than actual results, an additional tax benefit or charge will result.

Share-based Compensation

We account for share options issued to employees in accordance with ASC topic 718, or ASC 718, “Compensation—Stock Compensation.” In accordance with the fair value recognition provision of ASC 718, share-based compensation cost is measured at the grant date based on the fair value of the option and is recognized as an expense, net of estimated forfeitures, over the requisite service period, which is generally the vesting period. We recognize compensation expenses using the straight-line method for the share options granted with service conditions that have a graded vesting schedule.

In July 2010, we adopted our 2010 share incentive plan which was subsequently amended on January 14, 2011. Under the amended 2010 share incentive plan, we may grant options to purchase up to an aggregate of 36,585,630 of our ordinary shares to our employees, directors and consultants. To date, no share options have been issued to our consultants. As of the date of this prospectus, options to purchase 24,386,470 of ordinary shares were outstanding and options to purchase 12,199,160 ordinary shares were available for future grant under the amended 2010 share incentive plan. On December 31, 2010, we issued 24,826,090 ordinary shares to Sunrise, a company owned by our chief executive officer, for nominal consideration. These ordinary shares are fully vested, nonassessable and not subject to any redemption, repurchase or similar rights. Although Sunrise intends to in turn transfer these shares to employees of our continuing operations and discontinued operations, there were neither contractual obligations nor definitive terms, timing or list of grantees when those shares were transferred

to Sunrise. As such, we recorded compensation expenses of RMB206.1 million (US$31.2 million) based on the fair value of our ordinary share at the grant date when the shares were issued to Sunrise. If and when the grantees, terms and timing of the intended transfer of such shares from Sunrise to the current and former employees are determined by Sunrise, we will assess the accounting implications, if any, based on nature and terms of such grants.

We engaged an independent third party valuation firm to assist us in the determination of the estimated fair value of options granted to our employees. We applied the Black-Scholes option pricing model in determining the fair value of the options granted to employees. The inputs to the model and the major assumptions include the estimated fair value of our ordinary shares, exercise price, life to expiration, risk free interest rate, expected volatility which was derived from comparable companies, dividend yield, expected term and post-vesting forfeiture rate. Changes in these assumptions could significantly affect the estimated fair value of our share options and hence the amount of compensation expense that we recognize in our consolidated financial statements.

Assessing the Fair Value of our Shares

We derive the estimated fair value of our ordinary and preferred shares at various measurement dates in order to determine our share-based compensation expenses and expenses related to the issuance of preferred shares at such measurement dates. For example, on June 4, 2008, aBitCool repurchased 1,585,138 ordinary shares from two of its existing shareholders. On July 16, 2010, we issued certain ordinary share options as noted above. On September 30, 2010, we acquired Managed Network Entities whereby we agreed to issue contingent ordinary share consideration in addition to RMB50 million cash consideration we paid in September 2010. On October 31, 2010, we issued preferred shares pursuant to our corporate restructuring. See “Our Corporate Structure”. On December 31, 2010, we issued 24,826,090 fully vested ordinary shares to Sunrise, a company owned by our chief executive officer for par value. On January 14 and February 17, 2011, we issued 31,882,930 Series C1 preferred shares to certain holders of the Series A and B preferred shares for total gross cash proceeds of US$30,000,020 and 5,313,820 Series C1 preferred shares to Cisco Systems International, B.V., a third party investor, for gross cash proceeds of US$5,000,000, respectively.

With the assistance of an independent third party valuation firm, we determined the estimated fair value of our underlying ordinary shares as at June 30, 2008, July 16, 2010, October 31, 2010 and December 31, 2010 to be US$0.465, US$0.974, US$1.24 and US$1.234, respectively. We also determined the estimated fair value of our convertible preferred Series A1, A2, A3, B1, and B2 shares at the issuance date to be US$1.28, US$1.308, US$1.284, US$1.337 and US$1.371, respectively. Our valuations were all performed contemporaneously at the valuation date, with the exception of the retrospective valuation we performed for our June 4, 2008 ordinary share repurchase.

The increase in the estimated fair value of our ordinary shares from June 2008 to through July 2010, were primarily the result of:

- the overall economic growth in our principal geographic markets, which led to an increased demand for our services;
- the increase of our net revenues from RMB115.3 million for six months ended June 30, 2008 to RMB206.1 million for six months ended June 30, 2010;
- the reduction of our estimated discount rate from 24.5% used in the June 30, 2008 valuation to 18% as of July 16, 2010, reflecting sustainable growth in the historical periods and maturity in our business and our management team; and
- the reduction of our discount for the lack of marketability, or DLOM, from the estimated 25% used in the June 30, 2008 valuation to 13% used in the July 16, 2010 valuation reflecting the increased likelihood of marketability of our ordinary shares as a result of this pending offering.

We experienced a continued increase in the estimated fair value of our ordinary shares from July 2010 to through October 31, 2010, which was largely attributed to an 8.2% growth in net revenues from RMB112.6 million in second quarter of 2010 to RMB121.8 million in third quarter of 2010 and similarly, we further reduced our estimated DLOM to 11.8% as at October 31, 2010 as we move closer to our planned initial public offering.

We experienced a slight decrease in the estimated fair value of our ordinary shares from $1.24 as of October 31, 2010 to $1.234 as of December 31, 2010. The slight decrease was primarily due to the dilutive effect of the fully vested ordinary shares issued to Sunrise at par value on December 31, 2010, partially offset by the effects of the reduction in the estimated discount rate used in the valuation of our ordinary shares from 18.5% for the October 31, 2010 valuation to 18% for the December 31, 2010 valuation and the reduction of our estimated DLOM from 11.8% as of October 31, 2010 to 10.1% as of December 31, 2010 as we advanced further towards our planned initial public offering.

As of February 17, 2011, the estimated fair value of our ordinary shares increased slightly from US$1.234 as of December 31, 2010 to US$1.327, which was primarily due to the effects of further reducing the estimated discount rate from 18% to 17.5% for the February 17, 2011 valuation and our estimated DLOM from 10.1% as of December 31, 2010 to 5.1% as of February 17, 2011 as we advanced further towards our planned initial public offering.

The implied increase in the estimated fair value of our ordinary shares from US$1.327 per share as of February 17, 2011 to US$, the midpoint of the estimated price range for this offering shown on the cover page of this prospectus, is primarily attributable to the effects of further reducing the estimated discount rate and the estimated DLOM as we are further advancing towards the completion of this offering.

Determining the estimated fair value of our ordinary and preferred shares also requires us to make complex and subjective judgments regarding our projected financial and operating results as compared to our operating history, the assessment of our unique business risks and the overall liquidity of our shares and our prospects. In determining our enterprise value at each measurement date, we considered the results of the income approach. Market approach was used to corroborate the results as obtained by DCF methodology. We applied the methodologies consistently for all the valuation dates.

Income Approach

The income approach involves applying appropriate discount rates to estimated cash flows that are based on earnings forecasts developed by us. The assumptions used in deriving the fair values were consistent with our business plan at the time of each valuation. These assumptions include: no material changes in the existing political, legal and economic conditions in China; no major changes in the tax rates applicable to our subsidiaries and consolidated affiliated entities in China; our ability to retain competent management, key personnel and staff to support our ongoing operations; and no material deviation in market conditions from economic forecasts. These assumptions are inherently uncertain. The risks associated with achieving our forecasts were assessed in selecting the appropriate discount rates to estimated cash flows.

Our revenue forecasts were based on the expected annual growth rates which were derived from a combination of our historical experience and growth rates published by an independent market research organization. The revenue and cost assumptions we used are consistent with our long-range business plan and market conditions in our industry. Revisions to our estimated long-range business plan will occur to the extent we experience unforeseen circumstances within the routine operations of our business and/or when we decide to acquire a business or dispose of a component of our business.

In addition to calculating the cash flows throughout the projection period, the terminal value was calculated by applying the Gordon Growth Model with a long term growth rate as of 3.0%. Our cash flows were discounted to present value by the weighted average cost of capital, or WACC, of ranging from 18.0% to 28.0%, as of the valuation base dates. The WACCs were determined based on a consideration of the factors such as risk-free rate, equity risk premium, our company size and other company specific factors. The movements of WACC were the combined results of the business operation movements as noted above and financial leverage movements. The risks associated with achieving our forecasts were appropriately assessed in our determination of the appropriate

dismount rates; if different discount rates had been applied, the valuations could have been significantly different.

Market Approach

The guideline company method of the market approach provides an indication of value with reference to the market value of publicly traded guideline companies to various measures of their operating results, then applying such multiples to the business being valued. Shares of these companies are traded in a public market.

As noted previously, the market approach was applied in our analysis to corroborate the concluded value of the Company by comparing the trading multiples of selected publicly traded guideline companies to the implied Enterprise Value ("EV") multiples of the Company based on the results of the DCF methodology. The guideline companies used are the same as those used in the assessment and determination of an appropriate estimate of our WACC.

Lack of Marketability Discount

We also applied an additional discount for lack of marketability of ranging from 10.1% to 30.0%. When determining the discount for lack of marketability the option-pricing method (put option) was applied to quantify the discount for lack of marketability where applicable, such as, as of July 16, 2010, October 31, 2010 and December 31, 2010. We also considered studies conducted in the U.S. in an attempt to determine the average levels of discounts for lack of marketability in determining the discount for lack of marketability where option-pricing method is not applicable, such as, as of May 30, 2005, December 20, 2006 and June 30, 2008. Although it is reasonable to expect that the completion of the initial public offering will add value to our shares because we will have increased liquidity and marketability as a result of the offering, the amount of additional value can be measured with neither precision nor certainty.

Equity Allocation Model

Because the interest in the equity value of our company includes both preferred shares and ordinary shares, we used the option-pricing method to allocate equity value of our company to preferred and ordinary shares, taking into account the guidance prescribed by the AICPA Audit and Accounting Practice Aid "Valuation of Privately-Held-Company Equity Securities Issued as Compensation," or the Practice Aid. This method involves making estimates of the anticipated timing of a potential liquidity event, such as a sale of our company or an initial public offering, and estimates of the volatility of our equity securities. The anticipated timing is based on the plans of our board and management. Estimating the volatility of the share price of a privately held company is complex because there is no readily available market for the shares. We estimated the volatility of our shares based on historical volatility of comparable companies' shares. Had we used different estimates of volatility, the allocations between preferred and ordinary shares would have been different.

Internal Control over Financial Reporting

Prior to this offering, we have been a private company with limited accounting personnel and other resources for addressing our internal controls over financial reporting. In connection with the audit of our consolidated financial statements included in this prospectus, we and our independent registered public accounting firm identified one "material weakness" and certain other deficiencies in our internal controls over financial reporting. As defined in the standards established by the Public Company Accounting Oversight Board of the United States, a "material weakness" is a deficiency, or a combination of deficiencies, in internal controls over financial reporting such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The material weakness identified related to our lack of adequate resources with the requisite U.S. GAAP and SEC financial accounting and reporting expertise to support the accurate and timely assembly and presentation of our consolidated

financial statements and related disclosures. Following the identification of the material weakness and other control deficiencies, we have taken the following remedial measures to improve our internal control over financial reporting: (i) in June 2010 hiring an AICPA designated chief financial officer with publicly listed company and U.S. GAAP experience who also has audit committee member expertise; (ii) commencing preparing a comprehensive set of written accounting policies and procedures manual to guide our financial personnel in addressing significant accounting and financial statement close issues in preparation of our financial statements so that they are in compliance with U.S. GAAP and SEC requirements; (iii) adopting formal policies to accommodate our planned accelerated financial reporting close-process that accelerates the timely reconciliations of the amounts recorded by us against the amounts recorded by our customers and suppliers; (iv) implementing formal information technology approval and authorization policies and procedures for user account management to regulate user account creation, modification and deletion; and (v) formalizing our transfer pricing policy to ensure the timely preparation and maintenance of sufficient supportable documentation that adequately supports the Group's transfer pricing policy.

We plan to take additional measures to improve our internal controls over financial reporting, including (i) hiring additional accounting personnel with extensive experience in U.S. GAAP and SEC reporting requirements before the second quarter of 2011; (ii) hiring a director of internal audit with requisite experience in Section 404 of the Sarbanes-Oxley Act and U.S. GAAP before the second quarter of 2011; (iii) establishing an audit committee upon the completion of this offering and pursuing plans to build up an internal audit function in 2011; and (iv) continuing to develop and improve our internal policies relating to internal controls over financial reporting in 2011.

However, we cannot assure you that we will be able to remediate our material weakness and other control deficiencies in a timely manner. As improving internal controls over financial reporting is an on-going process and several measures have yet to be taken, we are not able to estimate with reasonable certainty the costs that we will need to incur to implement measures designed to improve our internal controls over financial reporting, but we expect that the additional costs will not exceed US$2 million in the next two years. See "Risk Factors—Risks Related to Our Business and Industry—If we fail to establish or maintain an effective system of internal controls over our financing reporting, we may be unable to accurately report our financial results or prevent fraud, and investor confidence and the market price of our ADSs may, therefore, be adversely impacted."

Taxation

Cayman Islands

The Cayman Islands currently does not levy 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. There are no other taxes likely to be material to our company levied by the government of the Cayman Islands, except for stamp duties that may be applicable on instruments executed in, or after execution brought within the jurisdiction of, the Cayman Islands. The Cayman Islands is not a party to any double taxation treaties that are applicable to any payments made to or by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Hong Kong

Our Hong Kong subsidiary, 21Vianet HK, is incorporated in Hong Kong and is subject to Hong Kong profits tax rate of 17.5%, 16.5%, 16.5% for the years ended December 31, 2008, 2009 and 2010, respectively. We have not made a provision for Hong Kong profits tax in the consolidated financial statements as 21Vianet HK had no assessable profits in the years ended December 31, 2008, 2009 and 2010.

PRC

Our PRC subsidiaries are subject to PRC enterprise income tax, or EIT, on the taxable income in accordance with the relevant PRC income tax laws.

On March 16, 2007, the National People's Congress enacted the New EIT Law, effective on January 1, 2008. The New EIT Law unified the previously-existing separate income tax laws for domestic enterprises and foreign invested enterprises and adopted a unified 25% enterprise income tax rate applicable to all resident enterprises in China, except for certain entities eligible for preferential tax rates and grandfather rules stipulated by the New EIT Law.

In April 2009, 21Vianet Beijing received approval of a six-year tax holiday commencing effective from January 1, 2006 which allows it to utilize a three-year 100% exemption followed by a three-year 50% reduced EIT rate. In December 2008, 21Vianet Beijing also received approval as a High and New Technology Enterprises, or HNTE, eligible for a tax holiday and 15% preferential tax rate effective from 2008 to 2010. In accordance with the PRC Income Tax Laws, an enterprise awarded with HNTE status may enjoy a reduced EIT rate of 15%. However, in the event that any of the various provisions of the transitional preferential enterprise income tax policies, the New EIT Law and the implementing regulations overlap, an enterprise may choose the most advantageous policy to apply its sole and absolute discretion. 21Vianet Beijing has chosen to apply the tax holiday.

The Company's other PRC subsidiaries were subject to EIT at a rate of 25% for the years ended December 31, 2008, 2009 and 2010.

Under the New EIT Law, dividends paid by PRC enterprises out of profits earned post-2007 to non-PRC tax resident investors are subject to PRC withholding tax of 10%. A lower withholding tax rate may be applied based on applicable tax treaty with certain countries.

The EIT Law also provides that enterprises established under the laws of foreign countries or regions and whose "place of effective management" is located within the PRC are considered PRC tax resident enterprises and subject to PRC income tax at the rate of 25% on worldwide income. The definition of "place of effective management" refers to an establishment that exercises, in substance, overall management and control over the production and business, personnel, accounting, properties, etc. of an enterprise. As of December 31, 2010, no detailed interpretation or guidance has been issued to define "place of effective management." Furthermore, as of December 31, 2010, the administrative practice associated with interpreting and applying the concept of "place of effective management" is unclear. We believe we are not a PRC resident enterprise. However, if we are deemed to be a PRC resident enterprise, we would be subject to PRC tax under the EIT Law. We have analyzed the applicability of this law as of December 31, 2010, and recorded a liability for the uncertain tax positions. We will continue to monitor changes in the interpretation or guidance of this law.

Results of Operations

The following table sets forth a summary of our consolidated results of operations for the periods indicated both in absolute amount and as a percentage of our total net revenues. This information should be read together with our consolidated financial statements and related notes included elsewhere in this prospectus. The operating results in any period are not necessarily indicative of the results you may expect for future periods.

	For the Year Ended December 31,						
	2008		2009		2010		
	RMB	%	RMB	%	RMB	US$	%
	(in thousands, except percentages)						
Consolidated Statement of Operations Data:							
Net revenues	240,771	100.0%	313,635	100.0%	525,203	79,576	100%
Hosting and Related Services	213,181	88.5	284,780	90.8	374,946	56,810	71.4
Managed Network Services	27,590	11.5	28,855	9.2	150,257	22,766	28.6
Cost of revenues	(174,598)	(72.5)	(229,304)	(73.1)	(396,858)	(60,130)	(75.6)
Gross profit	66,173	27.5	84,331	26.9	128,345	19,446	24.4
Operating expenses:							
Sales and marketing expenses[(1)]	(21,125)	(8.8)	(24,132)	(7.7)	(51,392)	(7,787)	(9.8)
General and administrative expenses[(1)]	(31,823)	(13.2)	(25,457)	(8.1)	(282,298)	(42,772)	(53.7)
Research and development costs[(1)]	(5,858)	(2.4)	(7,607)	(2.4)	(19,924)	(3,019)	(3.8)
Changes in the fair value of contigent purchase consideration payable	—		—		(7,537)	(1,142)	(1.4)
Operating profit/(loss)	7,367	3.1	27,135	8.7	(232,806)	(35,274)	(44.3)
Interest income	1,643	0.7	827	0.3	580	88	0.1
Interest expense	(1,297)	(0.5)	(416)	(0.1)	(2,793)	(423)	(0.5)
Other income	2,294	1.0	694	0.2	1,152	175	0.2
Other expense	(1,123)	(0.5)	(1,207)	(0.4)	(906)	(137)	(0.2)
Foreign exchange gain	5,545	2.3	88	0.0	1,646	249	0.3
Profit/(loss) from continuing operations before income taxes	14,429	6.1	27,121	8.7	(233,127)	(35,322)	(44.4)
Income tax (expense) benefit	(3,821)	(1.6)	32,860	10.5	(1,588)	(241)	(0.3)
Net profit/(loss) from continuing operations	10,608	4.5	59,981	19.2	(234,715)	(35,563)	(44.7)
Loss from discontinued operations	(28,566)	(11.9)	(63,910)	(20.4)	(12,952)	(1,962)	(2.5)
Net loss	(17,958)	(7.4)	(3,929)	(1.2)	(247,667)	(37,525)	(47.2)
Net profit attributable to non-controlling interest	(295)	(0.1)	(1,990)	(0.6)	(7,722)	(1,170)	(1.5)
Net loss attributable to the Company's ordinary shareholders	(18,253)	(7.6%)	(5,919)	(1.9%)	(255,389)	(38,695)	(48.7)

	For the Year Ended December 31,			
	2008	2009	2010	
	RMB	RMB	RMB	US$
	(in thousands)			
Non-GAAP Financial Data:[2]				
Adjusted gross profit	68,505	86,478	141,990	21,514
Adjusted net profit	7,666	24,902	59,454	9,008
EBITDA	22,546	48,110	(201,761)	(30,570)
Adjusted EBITDA	22,546	48,110	83,657	12,675

(1) Includes share-based compensation expenses as follows:

	For the Year Ended December 31,			
	2008	2009	2010	
	RMB	RMB	RMB	US$
	(in thousands, except percentages)			
Allocation of share-based compensation expenses:				
Cost of revenues	—	—	4,645	704
Sales and marketing expenses	—	—	11,884	1,801
General and administrative expenses	—	—	254,936	38,626
Research and development costs	—	—	6,416	972
Total share-based compensation expenses	—	—	277,881	42,103

(2) For discussions and reconciliations of these non-GAAP measures to net loss, see "—Non-GAAP Financial Measures."

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009

Net Revenues

Our net revenues increased by 67.5% from RMB313.6 million in 2009 to RMB525.2 million (US$79.6 million) in 2010. This increase was due to the growth of both our hosting and related service business and our managed network services business. The average monthly recurring revenues increased by 71.7% to RMB41.9 million (US$6.3 million) in 2010 from RMB24.4 million in 2009.

Revenues from our hosting and related services amounted to RMB374.9 million (US$56.8 million) in 2010, increasing by 31.6% from RMB284.8 million in 2009. The increase in revenues from our hosting and related services was primarily a result of the increase in the number of cabinets under our management. The number of cabinets under our management increased from 4,157 as of December 31, 2009 to 5,750 as of December 31, 2010, while the price level we charged remained relatively stable. The increase of our hosting and related services revenues in this period was also a result of the significant growth in sales to existing customers, driven by an increased demand for our hosting and related services and the rebound of the general economy in China during the period. Average customer spending increased by 29.8% in 2010 from 2009.

Revenues from our managed network services amounted to RMB150.3 million (US$22.8 million) in 2010, increasing by 420.1% from RMB28.9 million in 2009. As a percentage to our total net revenues, revenues from our managed network services increased from 9.2% in 2009 to 28.6% in 2010. The increase in revenues from managed network services was primarily due to our acquisition of the Managed Network Entities in September 2010 and also due to the increased sales of those services resulting from the improvements in our data transmission network and enhancements of our smart routing technology. We started to recognize revenues from the Managed Network Entities in the fourth quarter of 2010, and recognized RMB60.2 million (US$9.1 million) during the quarter. As a result, the bandwidth optimized through our managed network services substantially increased during the period. With the acquisition of the Managed Network Entities, we expect that revenues from managed network services will substantially increase in 2011.

Cost of Revenue

Our cost of revenues increased by 73.1% from RMB229.3 million in 2009 to RMB396.9 million (US$60.1 million) in 2010. As a percentage of net revenues, our cost of revenues increased from 73.1% in 2009 to 75.6% in 2010. The increase was primarily due to an increase in our telecommunication costs. Our telecommunication costs increased by 78.7% from RMB180.6 million in 2009 to RMB322.7 million (US$48.9 million) in 2010. The cost increase was further attributable to an increase in share-based compensation expenses and salaries and employee benefits. Total compensation recorded as cost of revenue, including share-based compensation, increased from nil in 2009 to RMB4.6 million (US$0.7 million) in 2010. Our share-based compensation expenses recorded as cost of revenue were RMB4.6 million (US$0.7 million) in 2010, compared to nil in 2009. Amortization expenses of intangible assets derived from acquisition recorded as cost of revenue were RMB9.0 million (US$1.4 million) in 2010, compared to RMB2.1 million in 2009. We expect that our cost of revenues will continue to increase as our business expands, both organically and as a direct result of acquiring the Managed Network Entities. Going forward, we anticipate recording significant expenses related to the amortization of the intangible assets related to the acquisition of the Managed Network Entities' intangible assets.

Gross Profit

Our gross profit increased by 52.2% from RMB84.3 million in 2009 to RMB128.3 million (US$19.4 million) in 2010. Our gross profit as a percentage of net revenues, or gross margin, decreased from 26.9% in 2009 to 24.4% in 2010. The decrease in gross margin was primarily due to the increase of telecommunications costs, which, as a percentage of our net revenues, increased from 57.6% to 61.5% during the period and, to a lesser extent, our share-based compensation expenses, which amounted to 0.9% of our net revenues in 2010, and our amortization expenses of intangible assets derived from acquisition, which amounted to 1.7% of our net revenue. The increase of telecommunication costs as a percentage to our net revenues during the period was partially due to the increase in our net revenues generated from our managed network service business.

Operating Expenses

Our operating expenses increased by 531.5% from RMB57.2 million in 2009 to RMB361.2 million (US$54.7 million) in 2010. As a percentage of net revenues, our operating expenses increased from
18.2% in 2009 to 68.7% in 2010. This increase was primarily due to the incurrence of share-based compensation expenses and to a lesser extent, an increase in the headcount of our operating staff. Approximately RMB273.2 million (US$41.4 million) of the share-based compensation expenses were recognized as operating expenses in 2010, compared to nil in 2009. Our significant share-based compensation expenses in 2010 were primarily attributable to the RMB206.1 million (US$31.2 million) share-based compensation expenses that we recorded related to 24,826,090 fully vested ordinary shares issued to Sunrise for the benefits of our current employees and employees of our discontinued operations. The significant share-based compensation expenses were also attributable to the fact that a significant portion of the options granted in July 2010 vested immediately upon the grant to reward our employees for their past contributions.

Sales and Marketing Expenses. Our sales and marketing expenses increased by 113.3% from RMB24.1 million in 2009 to RMB51.4 million (US$7.8 million) in 2010, primarily due to increases in share-based compensation expenses of RMB11.9 million (US$1.8 million), an RMB9.9 million (US$1.5 million) increase in salaries and other benefit related expenses associated with the increase in the headcount of our sales and marketing staff, and an RMB2.0 million (US$0.3 million) increase in advertisement and agency service fees. As a percentage of net revenues, our sales and marketing expenses increased from 7.7% in 2009 to 9.8% in 2010.

General and Administrative Expenses. Our general and administrative expenses increased substantially from RMB25.5 million in 2009 to RMB282.3 million (US$42.8 million) in 2010, primarily as a result of an increase of RMB254.9 million (US$38.6 million) in share-based compensation expenses. Our significant share-based

compensation expenses in 2010 included in our general and administrative expenses were primarily related to the 24,826,090 fully vested ordinary shares we issued to Sunrise for the benefits of employees of our continuing operations and employees of our discontinued operations. The significant share-based compensation expenses were also due to the fact that a significant portion of the options granted in July 2010 vested immediately upon the grant to reward our employees for their past contributions. As a percentage of net revenues, our general and administrative expenses increased from 8.1% in 2009 to 53.7% in 2010 mainly due to new issuance to Sunrise as well as accelerated vesting schedule of some grants under our amended 2010 share incentive plan.

Research and Development Costs. Our research and development costs increased by 161.8% from RMB7.6 million in 2009 to RMB19.9 million (US$3.0 million) in 2010. The increase was primarily due to an increase of RMB6.4 million (US$1.0 million) in share-based compensation expenses and expenses in connection with the increased headcount of our research and development staff. As a percentage of net revenues, our research and development expenses increased from 2.4% in 2009 to 3.8% in 2010.

Changes in the Fair Value of Contingent Purchase Consideration Payable. We recorded increase in the fair value of contingent purchase consideration payable in connection with our acquisition of the Managed Network Entities in the amount of RMB7.5 million (US$1.1 million) in 2010, which was primarily due to the increase of present value of estimated cash and share considerations during this period.

Interest Income

Our interest income decreased from RMB0.8 million in 2009 to RMB0.6 million (US$0.1 million) in 2010, primarily due to a decrease in our bank deposits during the period.

Interest Expense

Our interest expense increased from RMB0.4 million in 2009 to RMB2.8 million (US$0.4 million) in 2010, primarily due to increases in our bank borrowings and capital lease obligations.

Other Income

Our other income in 2010 was approximately RMB1.2 million (US$0.2 million), compared to RMB0.7 million in 2009. Other income in 2009 included an RMB0.3 million judgment award received in connection with a successful trademark infringement lawsuit we brought against a company in Shanghai. Other income in 2010 was primarily attributable to the services fee charged to related parties of RMB0.6 million (US$91 thousand).

Other Expenses

Our other expenses were approximately RMB0.9 million (US$0.1 million) in 2010, a 25% decrease from RMB1.2 million in 2009. Other expenses in both periods were primarily related to the loss attributable to the disposal of certain of our equipment, such as servers and entry security systems.

Foreign Exchange Gain

We had a foreign exchange gain of RMB1.6 million (US$0.2 million) in 2010, which increased from RMB0.1 million in 2009, primarily due to the depreciation of U.S. dollar relative to the Renminbi for the U.S. dollar denominated liabilities we held.

Income Tax (Expense) Benefit

Our income tax expense amounted to RMB1.6 million (US$0.2 million) in 2010, as compared to income tax benefit amounting to RMB32.9 million in 2009. Income tax benefit in 2009 was primarily related to the

recognition of unrecognized tax benefit in relation to the reduced income tax rate not approved in previous periods.

Net Profit/(Loss) from Continuing Operations

We incurred a net loss of RMB234.7 million (US$35.6 million) in 2010, as compared to a net profit of RMB60.0 million in 2009, primarily due to an increase in share-based compensation expenses recorded in 2010.

Discontinued Operations

Loss on discontinued operations was RMB13.0 million (US$2.0 million) in 2010, compared to RMB63.9 million in 2009, primarily due to disposal of the discontinued operations on March 31, 2010.

Net Loss

As a result of the above, we incurred a net loss of RMB247.7 million (US$37.5 million) in 2010, compared to a net loss of RMB3.9 million in 2009.

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008

Net Revenues

Our net revenues increased by 30.2% from RMB240.8 million in 2008 to RMB313.6 million in 2009. This increase was primarily due to the growth of both our hosting and related service business and to a lesser extent, the growth of our managed network services business. The average monthly recurring revenues increased by 17.9% to RMB24.4 million in 2009 from RMB20.7 million in 2008.

Revenues from our hosting and related services amounted to RMB284.8 million in 2009, increasing by 33.6% from RMB213.2 million in 2008. The increase was primarily a result of the increase in the number of cabinets. The number of cabinets under our management increased from 2,787 as of December 31, 2008 to 4,157 as of December 31, 2009, while the average price we charged remained relatively stable. The increase of our hosting and related services revenues in this period was also primarily a result of the significant growth in sales to existing customers. Driven by an increased demand for our hosting and related services, average customer spending increased by approximately 30.0% in 2009 from 2008.

Revenues from our managed network services amounted to RMB28.9 million in 2009, a 4.7% increase from RMB27.6 million in 2008. The increase in revenues from managed network services was due to an increase in bandwidth optimized through our managed network services as a result of the increased amount of managed network services we provided to our customers.

Cost of Revenue

Our cost of revenues increased by 31.3% from RMB174.6 million in 2008 to RMB229.3 million in 2009. As a percentage of net revenues, our cost of revenues increased from 72.5% in 2008 to 73.1% in 2009. The increase was primarily due to an increase in our telecommunications costs, which increased by 33.6% from RMB135.2 million in 2008 to RMB180.6 million in 2009 due to our business expansion and accompanying increase in consumption of telecommunications resources.

Gross Profit

Our gross profit increased by 27.3% from RMB66.2 million in 2008 to RMB84.3 million in 2009. Our gross margin decreased from 27.5% in 2008 to 26.9% in 2009. The decrease in gross margin was primarily due to the increase of telecommunications cost in 2009.

Operating Expenses

Our operating expenses slightly decreased by 2.8% to RMB57.2 million in 2009 from RMB58.8 million in 2008, primarily due to the decrease in our general and administrative expenses, partially offset by an increase in our sales and marketing expenses. As a percentage of net revenues, our operating expenses decreased from 24.4% in 2008 to 18.2% in 2009.

Sales and Marketing Expenses. Our sales and marketing expenses increased by 14.2% from RMB21.1 million in 2008 to RMB24.1 million in 2009, primarily due to an increase in salary and benefit-related expenses as a result of an increase in the headcount of our sales and marketing staff in 2009. As a percentage of net revenues, our sales and marketing expenses decreased from 8.8% in 2008 to 7.7% in 2009.

General and Administrative Expenses. Our general and administrative expenses decreased by 19.8% from RMB31.8 million in 2008 to RMB25.5 million in 2009, primarily due to a decrease in the headcount of our general and administrative staff in 2009 in response to the challenging economic environment. As a percentage of net revenues, our general and administrative expenses decreased from 13.2% in 2008 to 8.1% in 2009.

Research and Development Costs. Our research and development costs increased by 28.8% from RMB5.9 million in 2008 to RMB7.6 million in 2009, primarily due to an increase in the number of research and development personnel and the accompanying increases in salary and benefit related expenses. As a percentage of net revenues, our research and development expenses remained at 2.4% in 2008 and 2009.

Interest Income

Our interest income decreased from RMB1.6 million in 2008 to RMB0.8 million in 2009, primarily due to a decrease in the average balance of our bank deposits in 2009 as a result of our capital needs to expand our operations.

Interest Expense

Our interest expense decreased from RMB1.3 million in 2008 to RMB0.4 million in 2009, primarily due to the recognition of an interest expense in relation to an RMB4.8 million loan, which was repaid in 2008.

Other Income

Our other income in 2009 was RMB0.7 million compared to RMB2.3 million in 2008. Other income in 2008 was primarily attributable to aged amounts payable of RMB1.8 million, which were written off in 2008.

Other Expenses

Our other expenses increased slightly from RMB1.1 million in 2008 to RMB1.2 million in 2009, primarily due to the loss attributable to the disposal of certain of our equipment, such as servers and entry securities systems.

Foreign Exchange Gain

Our foreign exchange gain significantly decreased from RMB5.5 million in 2008 to RMB88,000 in 2009, primarily due to the slower depreciation of U.S. dollar relative to the Renminbi for the U.S. dollar denominated liabilities we held.

Income Tax (Expense) Benefit

Our income tax benefit amounted to RMB32.9 million in 2009, as compared to income tax expense amounted to RMB3.8 million in 2008. Income tax benefit in 2009 was primarily due to the record of the unrecognized tax benefit in relation to the unqualified reduced income tax rate and PRC tax resident income tax.

Net Profit from Continuing Operations

As a result of the above, our net profit from continuing operations increased by 466.0% from RMB10.6 million in 2008 to RMB60.0 million in 2009.

Discontinued Operations

Loss on discontinued operations was RMB63.9 million in 2009, compared to RMB28.6 million in 2008, primarily due to an increase in salary and benefit related expenses as a result of an increase in the headcount of the discontinued operations in 2009.

Net Loss

As a result of the above, we incurred a net loss of RMB3.9 million in 2009, compared to RMB18.0 million in 2008.

Selected Quarterly Results of Operations

The following table sets forth our unaudited consolidated quarterly results of operations for each of the eight quarters in the period from January 1, 2009 to December 31, 2010. You should read the following table in conjunction with our annual consolidated financial statements and the related notes included elsewhere in this prospectus. We have prepared this unaudited consolidated quarterly financial data on the same basis as we have prepared our annual consolidated financial statements. The unaudited consolidated financial data includes all adjustments, consisting only of normal and recurring adjustments, that we consider necessary for a fair statement of our financial position and operating results for the quarters presented.

	For the Three Months Ended							
	March 31, 2009	June 30, 2009	September 30, 2009	December 31, 2009	March 31, 2010	June 30, 2010	September 30, 2010	December 31, 2010
	(in thousands of RMB)							
Net revenues:								
Hosting and related services	65,919	69,070	72,967	76,824	80,254	90,905	92,312	111,475
Managed network services	6,130	6,620	7,458	8,647	13,221	21,710	29,489	85,837
Total net revenues	72,049	75,690	80,425	85,471	93,475	112,615	121,801	197,312
Cost of revenues(1)	(53,997)	(55,984)	(58,924)	(60,399)	(70,516)	(84,463)	(92,785)	(149,094)
Gross profit	18,052	19,706	21,501	25,072	22,959	28,152	29,016	48,218
Operating expenses:								
Sales and marketing expenses(1)	(4,574)	(5,479)	(5,731)	(8,348)	(7,353)	(7,048)	(20,550)	(16,441)
General and administrative expenses(1)	(5,546)	(5,612)	(5,947)	(8,352)	(6,753)	(6,933)	(51,589)	(217,023)
Research and development costs(1)	(1,088)	(1,833)	(2,386)	(2,300)	(2,454)	(2,971)	(8,666)	(5,833))
Changes in the fair value of contingent purchase consideration payable	—	—	—	—	—	—	—	(7,537)
Operating profit/(loss)	6,844	6,782	7,437	6,072	6,399	11,200	(51,789)	(198,616)
Interest income	227	167	282	151	87	70	101	322
Interest expense	—	—	(106)	(310)	(529)	(609)	(878)	(777)
Other income	310	—	192	192	129	290	94	639
Other expenses	(859)	(233)	(32)	(83)	(6)	(497)	(36)	(367)
Foreign exchange (loss)/gain	(28)	51	51	14	34	634	1,612	(634)
Profit/(loss) from continuing operations before income taxes	6,494	6,767	7,824	6,036	6,114	11,088	(50,896)	(199,433)
Income tax benefit/(expense)	2,353	20,594	3,067	6,846	(10,161)	(5,293)	13,279	587
Net profit/(loss) from continuing operations	8,847	27,361	10,891	12,882	(4,047)	5,795	(37,617)	(198,846)
Loss from discontinued operations	(15,400)	(17,640)	(15,404)	(15,466)	(12,952)	—	—	—
Net (loss)/profit	(6,553)	9,721	(4,513)	(2,584)	(16,999)	5,795	(37,617)	(198,846)
Net income attributable to non-controlling interest	(699)	(459)	(487)	(345)	(427)	(493)	(511)	(6,291)
Net (loss)/profit attributable to the Company's ordinary shareholders	(7,252)	9,262	(5,000)	(2,929)	(17,426)	5,302	(38,128)	(205,137)
Non-GAAP Financial Data(2):								
Adjusted gross profit	18,588	20,243	22,038	25,609	23,496	28,653	33,675	56,166
Adjusted net profit	6,475	4,850	7,366	6,211	7,336	10,319	11,433	30,366
EBITDA	10,772	11,707	13,245	12,386	12,428	15,987	(46,252)	(183,924)
Adjusted EBITDA	10,772	11,707	13,245	12,386	12,428	15,987	17,597	37,645

(1) Includes share-based compensation expenses as follows:

	March 31, 2009	June 30, 2009	September 30, 2009	December 31, 2009	March 31, 2010	June 30, 2010	September 30, 2010	December 31, 2010
				(in thousands of RMB)				
Allocation of share-based compensation expenses:								
Cost of revenues	—	—	—	—	—	—	4,158	487
Sales and marketing expenses	—	—	—	—	—	—	10,471	1,413
General and administrative expenses	—	—	—	—	—	—	43,425	211,511
Research and development costs	—	—	—	—	—	—	5,795	621
Total share-based compensation expenses	—	—	—	—	—	—	63,849	214,032

(2) See "—Non-GAAP Financial Data."

We have experienced consistent growth in our quarterly net revenues for the eight quarters in the period from January 1, 2009 to December 31, 2010. The growth in our quarterly net revenues was attributable to increases in net revenues from our hosting and related services as well as managed network services. The growth in our quarterly net revenues from our hosting and related services was primarily due to the increases in the number of cabinets under our management and the growth in the sales to our existing customers driven by increased demand for our hosting and related services. The growth in our quarterly net revenues from our managed network services was primarily due to an increase in bandwidth optimized through our smart routing technology, and recently, due to the acquisition of the Managed Network Entities in September 2010.

Seasonality has not been a significant factor affecting our historical quarterly results of operations. Other factors, however, have caused, and in the future may continue to cause, our quarterly operating results to fluctuate. For example, we recorded operating loss of RMB51.8 million (US$7.8 million) and RMB198.6 million (US$30.1 million) in the third and fourth quarter of 2010 respectively, primarily due to the relatively large share-based compensation expenses recorded during these periods. In addition, income tax benefit or expense also have caused our quarterly operating results to fluctuate. We had income tax benefits of RMB20.6 million (US$3.1 million) and RMB13.3 million (US$2.0 million) for the second quarter of 2009 and the third quarter of 2010 primarily due to the recognition of unrecognized tax benefit in relation to the reduced income tax rate not approved in previous periods and PRC tax resident income tax, and we had income tax expenses of RMB10.2 million (US$1.5 million) in the first quarter of 2010 as a result of higher effective tax rate during the quarter. We may experience fluctuations in our quarterly results of operations after this offering, for the reasons given above or other reasons, which may be significant. See "Risk Factors—Risks Related to Our Business and Industry—Our operating results may fluctuate, which could make our future results difficult to predict and could cause our operating results to fall below investor or analyst expectations."

Non-GAAP Financial Data

The following table presents certain unaudited non-GAAP financial data for the periods indicated.

	For the Year Ended December 31,			
	2008	2009	2010	
	RMB	RMB	RMB	US$
	(in thousands)			
Non-GAAP Financial Data:				
Adjusted gross profit[1]	68,505	86,478	141,990	21,514
Adjusted net profit[2]	7,666	24,902	59,454	9,008
EBITDA[3]	22,546	48,110	(201,761)	(30,570)
Adjusted EBITDA[4]	22,546	48,110	83,657	12,675

Notes: (1) We define adjusted gross profit as gross profit excluding share-based compensation expenses and amortization expenses of intangible assets related to acquisitions.
(2) We define adjusted net profit as net profit (loss) from continuing operations excluding share-based compensation expenses, amortization expenses of intangible assets derived from acquisitions, changes in the fair value of contingent purchase consideration payable and unrecognized tax benefits, tax incentive receipt and outside basis difference.
(3) We define EBITDA as net profit (loss) from continuing operations before income tax expense (benefit), foreign exchange gain, other expenses, other income interest expense, interest income, income tax expense, depreciation and amortization.
(4) We define adjusted EBITDA as EBITDA excluding share-based compensation expenses and changes in the fair value of contingent purchase consideration payable .

In evaluating our business, we consider and use the following non-GAAP measures as a supplemental measure to review and assess our operating performance: adjusted gross profit, adjusted net profit, EBITDA and adjusted EBITDA. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with U.S. GAAP.

We believe that the use of the above non-GAAP measures facilitates investors' use of our operating performance comparisons from period to period and company to company by backing out potential differences caused by variations in items such as capital structures (affecting relative interest expenses and share-based compensation expenses), the book amortization of intangibles (affecting relative amortization expenses), the age and book value of property and equipment (affecting relative depreciation expenses) and other non-cash expenses. We also present such non-GAAP measures because we believe these non-GAAP measures are frequently used by securities analysts, investors and other interested parties as measures of the financial performance of companies in our industry.

These non-GAAP financial measures are not defined under U.S. GAAP and are not presented in accordance with U.S. GAAP. These non-GAAP financial measures have limitations as analytical tools, and when assessing our operating performance, investors should not consider them in isolation, or as a substitute for net income (loss) or other consolidated statements of operations data prepared in accordance with U.S. GAAP. Some of these limitations include, but are not limited to:

- they do not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, the Company's working capital needs;
- they do not reflect the interest expenses, or the cash requirements necessary to service interest or principal payments, on the Company's debt;
- they do not reflect income taxes or the cash requirements for any tax payments;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized often will have to be replaced in the future, and adjusted net income, EBITDA and adjusted EBITDA do not reflect any cash requirements for such replacements;

- while share-based compensation is a component of cost of revenues and operating expenses, the impact to our consolidated financial statements compared to other companies can vary significantly due to such factors as assumed life of the options and assumed volatility of our ordinary shares; and
- other companies may calculate adjusted net profit, EBITDA and adjusted EBITDA differently than we do, limiting the usefulness of these non-GAAP measures as comparative measures.

We compensate for these limitations by relying primarily on our U.S. GAAP results and using adjusted gross profit, adjusted net income, EBITDA and adjusted EBITDA only as supplemental measures. Our adjusted gross profit, adjusted net profit, EBITDA and adjusted EBITDA are calculated as follows for the periods presented:

	For the Year Ended December 31,			
	2008	2009	2010	
	RMB	RMB	RMB	US$
	(in thousands)			
Gross profit	66,173	84,331	128,345	19,446
Plus: share-based compensation expenses	—	—	4,645	704
Plus: amortization expenses of intangible assets derived from acquisitions	2,332	2,147	9,000	1,364
Adjusted gross profit	**68,505**	**86,478**	**141,990**	**21,514**
Net profit (loss) from continuing operations	10,608	59,981	(234,715)	(35,563)
Plus: share-based compensation expense	—	—	277,881	42,103
Plus: amortization expenses of intangible assets derived from acquisitions	2,332	2,147	9,000	1,364
Plus: changes in the fair value of contingent purchase consideration payable	—	—	7,537	1,142
Less: unrecognized tax benefits, tax incentive receipt and outside basis difference	(5,274)	(37,226)	(249)	(38)
Adjusted net profit	**7,666**	**24,902**	**59,454**	**9,008**
Net profit (loss) from continuing operations	10,608	59,981	(234,715)	(35,563)
Plus: income tax expense (benefit)	3,821	(32,860)	1,588	241
Less: foreign exchange gain	(5,545)	(88)	(1,646)	(249)
Plus: other expenses	1,123	1,207	906	137
Less: other income	(2,294)	(694)	(1,152)	(175)
Plus: interest expense	1,297	416	2,793	423
Less: interest income	(1,643)	(827)	(580)	(88)
Plus: depreciation	12,263	15,990	19,673	2,981
Plus: amortization	2,916	4,985	11,372	1,723
EBITDA	**22,546**	**48,110**	**(201,761)**	**(30,570)**
Plus: share-based compensation expense	—	—	277,881	42,103
Plus: changes in the fair value of contingent purchase consideration payable	—	—	7,537	1,142
Adjusted EBITDA	**22,546**	**48,110**	**83,657**	**12,675**

	For the Three Months Ended							
	March 31, 2009	June 30, 2009	September 30, 2009	December 31, 2009	March 31, 2010	June 30, 2010	September 30, 2010	December 31, 2010
	(in thousands of RMB)							
Gross profit	18,052	19,706	21,501	25,072	22,959	28,152	29,016	48,218
Plus: share-based compensation expenses	—	—	—	—	—	—	4,158	487
Plus: amortization expenses of intangible assets derived from acquisitions	536	537	537	537	537	501	501	7,461
Adjusted gross profit	18,588	20,243	22,038	25,609	23,496	28,653	33,675	56,166
Net profit/(loss) from continuing operations	8,847	27,361	10,891	12,882	(4,047)	5,795	(37,617)	(198,846)
Plus: share-based compensation expense	—	—	—	—	—	—	63,849	214,032
Plus: amortization expenses of intangible assets derived from acquisitions	536	537	537	537	537	501	501	7,461
Plus: changes in the fair value of contingent purchase consideration payable	—	—	—	—	—	—	—	7,537
Less: reversal of unrecognized tax benefits, tax incentive receipt and outside basis difference	(2,908)	(23,048)	(4,062)	(7,208)	10,846	4,023	(15,300)	182
Adjusted net profit/(loss)	6,475	4,850	7,366	6,211	7,336	10,319	11,433	30,366
Net profit/(loss) from continuing operations	8,847	27,361	10,891	12,882	(4,047)	5,795	(37,617)	(198,846)
Plus: income tax expense/(benefit)	(2,353)	(20,594)	(3,067)	(6,846)	10,161	5,293	(13,279)	(587)
Less: foreign exchange loss (gain)	28	(51)	(51)	(14)	(34)	(634)	(1,612)	634
Plus: other expenses	859	233	32	83	6	497	36	367
Less: other income	(310)	—	(192)	(192)	(129)	(290)	(94)	(639)
Plus: interest expense	—	—	106	310	529	609	878	777
Less: interest income	(227)	(167)	(282)	(151)	(87)	(70)	(101)	(322)
Plus: depreciation	3,383	3,573	4,212	4,822	4,925	3,642	4,343	6,763
Plus: amortization	545	1,352	1,596	1,492	1,104	1,145	1,194	7,929
EBITDA	10,772	11,707	13,245	12,386	12,428	15,987	(46,252)	(183,924)
Plus: share-based compensation expense	—	—	—	—	—	—	63,849	214,032
Plus: changes in the fair value of contingent purchase consideration payable	—	—	—	—	—	—	—	7,537
Adjusted EBITDA	10,772	11,707	13,245	12,386	12,428	15,987	17,597	37,645

Liquidity and Capital Resources

Cash Flows and Working Capital

To date, we have financed our operations primarily through cash flows from operations and through the proceeds from private placements of preferred shares to investors as well as bank borrowings. As of December 31, 2010, we had RMB83.3 million (US$12.6 million) in cash and cash equivalents and RMB35.0 million (US$5.3 million) in outstanding short-term borrowings and nil in long-term borrowings. There are no material covenants or restrictions associated with these outstanding short-term borrowings. In addition, we issued a total of 37,196,750 Series C1 preferred shares to a group of investors with net proceeds of US$35.0 million in January and February 2011.

We believe that our current cash and cash equivalents and the anticipated cash flow from our operations and additional bank loans we have already obtained, will be sufficient to meet our anticipated cash needs, including our cash needs for working capital and capital expenditures for at least the next 12 months. We intend to use a portion of those proceeds to finance our data center network expansion. In the event that this offering is not completed, we plan to use cash generated from operating activities and take other actions to obtain alternative sources of financing such as obtaining loan facilities from financial institutions or entering into capital lease arrangements to meet our cash needs in relation to this discretionary expansion plan. As of the date of this prospectus, we have not identified a committed source of funding in this respect nor can we guarantee one would ever be available.

We may require additional cash due to unanticipated business conditions or other future developments, including any investments or acquisitions we may decide to pursue. If our existing cash is insufficient to meet our requirements, we may seek to sell additional equity securities, debt securities or borrow from banks.

The following table sets forth a summary of our cash flows for the periods indicated:

	For the Year Ended December 31,			
	2008	2009	2010	
	RMB	RMB	RMB	US$
	(in thousands)			
Net cash (used in) generated from operating activities	(50,417)	2,760	81,372	12,329
Net cash used in investing activities	(101,172)	(34,850)	(616)	(94)
Net cash generated from (used in) financing activities	196,884	28,750	(69,498)	(10,529)
Net increase (decrease) in cash and cash equivalent	45,295	(3,340)	11,258	1,706
Cash and cash equivalents at beginning of the year	30,043	75,338	71,998	10,909
Cash and cash equivalents at end of the year	75,338	71,998	83,256	12,615

Operating Activities

Net cash generated from operating activities was RMB81.4 million (US$12.3 million) in 2010, compared to net cash generated from operating activities of RMB2.8 million in 2009.

Net cash generated from operating activities in 2010 primarily resulted from payments of RMB527.5 million (US$80.0 million) received from our customers, partially offset by our payments for telecommunication costs of RMB329.5 million (US$50.0 million), taxes paid of RMB18.0 million (US$2.7 million) and employee salaries and welfare payments of RMB61.9 million (US$9.4 million). Our accounts receivable increased from RMB40.3 million as of December 31, 2009 to RMB76.4 million (US$11.6 million) as of December 31, 2010, primarily due to the increase of our revenues from our operations during the same period.

Net cash generated from operating activities in 2009 primarily resulted from RMB331.9 million of cash we received from our customers, partially offset by our payments for telecommunication costs of RMB187.0 million, taxes paid of RMB13.5 million and employee salaries and welfare payments of RMB71.4 million.

Net cash generated from operating activities was RMB2.8 million in 2009, compared to net cash used in operation activities of RMB50.4 million in 2008.

Net cash generated from operating activities in 2008 primarily resulted from RMB250.4 million of cash we received from our customers, partially offset by our payments for telecommunication costs of RMB135.3 million, taxes paid of RMB10.3 million and employee salaries and welfare payments of RMB43.0 million.

Investing Activities

Net cash used in investing activities amounted to RMB0.6 million (US$94 thousand) in 2010, as compared to RMB34.9 million in 2009. Net cash used in 2010 is primarily related to the acquisition of the Managed Network Entities in the amount of RMB47.6 million (US$7.2 million), purchase of property and equipment in the amount of RMB58.6 million (US$8.9 million) in connection with the expansion of our data centers and network, partially offset by proceeds from disposal of property and equipment in the amount of RMB26.7 million (US$4.0 million), contributed from shareholders for the accounting disposal of the discontinued operations of SH Guotang and GZ Juliang, respectively and cash proceeds from deemed contribution from the shareholders for the legal disposal of certain carved-out entities in aggregate of RMB79.6 million (US$12.1 million), as part of corporation reorganization. Net cash used in investing activities in 2009 primarily related to purchase of property and equipment of RMB34.6 million.

Net cash used in investing activities amounted to RMB34.9 million in 2009, as compared to net cash used in investing activities in the amount of RMB101.2 million in 2008. Net cash used in investing activities in 2009 primarily related to purchase of property and equipment in connection with the expansion of our data centers and network of RMB34.6 million. Net cash used in investing activities in 2008 primarily related to purchases of property and equipment in the amount of RMB53.4 million in connection with the expansion of our data centers and network, a deemed distribution for capital injection into certain carved-out entities in the amount of RMB36.0 million as part of our corporate reorganization and purchase of intangible assets in the amount of RMB12.2 million.

Financing Activities

Net cash used in financing activities amounted to RMB69.5 million (US$10.5 million) in 2010, as compared to net cash generated from financing activities amounted to RMB28.8 million in 2009. Net cash generated from financing activities in 2010 primarily related to an RMB55.0 million (US$8.3 million) proceeds from short-term borrowings and repayment of amount due to related parties in the amount of RMB111.4 million (US$16.9 million). Net cash generated from financing activities in 2009 primarily related to the increase of amount due to related parties.

Net cash generated from financing activities amounted to RMB28.8 million in 2009, as compared to net cash generated from financing activities in the amount of RMB196.9 million in 2008. Net cash generated from financing activities in 2009 primarily related to the increase in amount due to related parties in the amount of RMB40.0 million and the increase of our restricted cash in the amount of RMB11.3 million. Net cash used in investing activities in 2008 primarily related to the decrease in amount due to related parties in the amount of RMB182.2 million and the capital contribution by non-controlling interest in the amount of RMB14.7 million.

Capital Expenditures

We had capital expenditures relating to addition of property and equipment of RMB73.0 million, RMB32.4 million and RMB150.0 million (US$22.7 million) in 2008, 2009 and 2010, respectively, representing 30.3%, 10.3% and 28.6%, respectively of our total net revenues. Our capital expenditures were primarily for the capital lease or purchase of property and equipment for our business. Our capital expenditures have been primarily funded by net cash provided by financing activities and cash generated from our operations. We estimate that our capital expenditures in 2011 will be approximately RMB210 million, which will be primarily used to build self-built data centers and to purchase network equipment, servers and other equipment to expand our business.

Contractual Obligations and Commercial Commitments

The following table sets forth our contractual obligations and commercial commitments as of December 31, 2010:

	Payment Due by						
	Total	2011	2012	2013	2014	2015	2016 thereafter
			(in thousands of RMB)				
Short-term borrowing[1]	35,000	35,000	—	—	—	—	—
Operating lease obligations[2]	29,321	8,127	5,238	4,948	4,811	3,229	2,968
Purchase commitments[3]	212,873	155,622	18,740	14,661	11,820	4,582	7,448
Capital lease obligations[4]	74,014	15,824	16,528	15,522	16,462	9,678	—
Total	351,208	214,573	40,506	35,131	33,093	17,489	10,416

Notes: (1) As of December 31, 2010, our short term bank borrowings bore a weighted average interest rate of 6.40% and have terms of six months to one year. Our unused short-term bank borrowings facilities amounted to RMB30.0 million. We have pledged certain computer and network equipment with the net book value of RMB35.6 million (US$5.4 million) for our bank borrowings. Mr. Sheng Chen, our chairman and CEO and Mr. Jun Zhang, our COO, also provided personal guarantees to these bank borrowings. RMB35 million of the indebtedness has been guaranteed by Mr. Sheng Chen and RMB30 million has been guaranteed by Mr. Jun Zhang.

(2) Operating lease obligations are primarily related to the lease of office and data center space.

(3) As of December 31, 2010, we had commitments of approximately RMB16.6 million (US$2.5 million) related to acquisition of equipment. This acquisition is expected to be settled within the next 12 months. In addition, we had outstanding purchase commitments in relation to bandwidth of RMB196.3 million (US$29.7 million).

(4) Related to capital leases for electronic equipment.

As part of the acquisition of 51% of the equity interest in the Managed Network Entities, the estimated remaining purchase consideration amounting to RMB136.7 million is payable from 2011 through 2013. To the extent we exercise our option to acquire the remaining 49% equity interest in the Managed Network Entities, we will need to pay consideration determined using the proportionate amount of the finalized cash consideration for the initial 51% acquisition. We currently plan to acquire the remaining 49% interest in the Managed Network Entities. We intend to pay cash consideration ranging from RMB60.0 million (US$9.1 million) to RMB73.5 million (US$11.1 million). In addition, we plan to issue 9,665,540 shares to 11,835,360 shares based on the 2011 operating results of Managed Network Entities to the management of Managed Network Entities under our 2010 share incentive plan. We are discussing with the sellers of the Managed Network Entities with respect to the timing, forms and final terms of the payment. In addition, we also recorded unrecognized tax benefits of RMB5.6 million (US$0.8 million) in 2010 as a result of uncertain tax positions which may be required to be settled upon the statutory examination by the PRC tax authorities.

Off-Balance Sheet Commitments and Arrangements

Other than the operating lease obligations, capital lease obligations and investment obligations set forth in the table above, we have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as shareholder's equity, or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. Moreover, we do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or research and development services with us.

Inflation

Inflation in China has not materially impacted our results of operations in recent years. According to the National Bureau of Statistics of China, the consumer price index in China grew by 5.9% in 2008, fell by 0.7% in

2009 and grew by 3.3% in 2010. Although we have not in the past been materially affected by inflation recently, we cannot assure you that we will not be affected in the future by higher rates of inflation in China. For example, certain operating costs and expenses, such as personnel expenses, real estate leasing expenses, and office operating expenses may increase as a result of higher inflation. As of December 31, 2010, cash and cash equivalents accounted for approximately 11.5% of our total assets. High inflation could significantly reduce the value and purchasing power of these assets. We are not able to hedge our exposures to higher inflation in China.

Holding Company Structure

We are a holding company with no material operations of our own. We conduct our operations primarily through our PRC subsidiary, our VIE and its subsidiaries in 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 subsidiary or any newly formed 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 subsidiary is permitted to pay dividends to us only out of its retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Under PRC law, our PRC subsidiary, VIE and its subsidiaries is required to set aside a portion of its after-tax profits each year to fund a statutory reserve and to further set aside a portion of its after-tax profits to fund the employee welfare fund at the discretion of the board or the enterprise itself. Although the statutory reserves can be used, among other ways, to increase the registered capital and eliminate future losses in excess of retained earnings of the respective companies, the reserve funds are not distributable as cash dividends except in the event of liquidation of these subsidiaries.

Quantitative and Qualitative Disclosure about Market Risk

Interest Rate Risk

Our exposure to interest rate risk primarily relates to interest expenses incurred in respect of bank borrowings and capital lease 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, nor do we anticipate being 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

We earn all of our revenues and incur most of our expenses in RMB, and substantially all of our sales contracts are denominated in RMB. We do not believe that we currently have any significant direct foreign exchange risk and have not used any derivative financial instruments to hedge our 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 RMB because the value of our business is effectively denominated in RMB, while the ADSs will be traded in U.S. dollars.

The value of the RMB against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in China's political and economic conditions. The conversion of RMB into foreign currencies, including U.S. dollars, has been based on rates set by the People's Bank of China. On July 21, 2005, the PRC government changed its decade-old policy of pegging the value of the RMB to the U.S. dollar. Under the revised policy, the RMB is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. This change in policy resulted in a more than 20% appreciation of the RMB against the U.S. dollar in the following three years. Since July 2008, however, the RMB has traded within a narrow range against the U.S. dollar. As a consequence, the RMB has fluctuated significantly since July 2008 against other freely traded currencies, in tandem with the U.S. dollar. It is difficult to predict how long the current situation may last and when and how RMB exchange rates may change going forward. To the extent that we need to

convert U.S. dollars we receive from this offering into RMB for our operations, appreciation of the RMB against the U.S. dollar would have an adverse effect on the RMB 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.

We estimate that we will receive net proceeds of approximately US$ million from this offering, after deducting underwriting discounts and commissions and the estimated offering expenses payable by us, based on an assumed initial offering price of US$ per ADS, the midpoint of the price range shown on the cover page of this prospectus. Assuming that we convert the full amount of the net proceeds from this offering into Renminbi, a 10% appreciation of the Renminbi against the U.S. dollar, from a rate of RMB to US$1.00 to a rate of RMB to US$1.00, will result in a decrease of RMB million (US$ million) of the net proceeds from this offering. Conversely, a 10% depreciation of the Renminbi against the U.S. dollar, from a rate of RMB to US$1.00 to a rate of RMB to US$1.00, will result in an increase of RMB million (US$ million) of the net proceeds from this offering.

Recent Accounting Pronouncements

In October 2009, the FASB issued ASU 2009-13, which amends ASC 605-25, regarding revenue arrangements with multiple deliverables. ASU 2009-13 addresses how to determine whether an arrangement involving multiple deliverables contains more than one unit of accounting, and how the arrangement consideration should be allocated among the separate units of accounting. This ASU is effective for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. Early adoption is permitted. We do not expect the adoption of ASU 2009-13 will have a material impact on the consolidated financial statements.

In October 2009, the FASB issued ASU 2009-14, which amends ASC985-605. The amendments in this ASU change the accounting model for revenue arrangements that include both tangible products and software elements. Transactions involving tangible products containing software components and non-software components those functions together to deliver the tangible product's essential functionality are no longer within the scope of the software revenue recognition guidance in ASC 985-605. In addition, the amendments in this ASU require that hardware components of a tangible product containing software components will always be excluded from software revenue recognition guidance. In that regard, the amendments in this ASU provide additional guidance on how to determine which software, if any, relating to the tangible product also would be excluded from the scope of the software revenue recognition guidance. The amendments in this ASU also provide guidance on how a vendor should allocate arrangement consideration between tangible products and software. This ASU will be effective for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. Early adoption is permitted. We do not expect the adoption of ASU 2009-13 will have a material impact on the consolidated financial statements.

In December 2010, the FASB issued ASU No. 2010-28, "Intangibles—Goodwill and Other (Topic 350)". This ASU amends the Accounting Standards Codification Topic 350, or ASC Topic 350. ASU 2010-28 clarifies the requirement to test for impairment of goodwill. ASC Topic 350 requires that goodwill be tested for impairment if the carrying amount of a reporting unit exceeds its fair value. Under ASU 2010-28, when the carrying amount of a reporting unit is zero or negative an entity must assume that it is more likely than not that a goodwill impairment exists, perform an additional test to determine whether goodwill has been impaired and calculate the amount of that impairment. The modifications to ASC Topic 350 resulting from the issuance of ASU 2010-28 are effective for fiscal years beginning after December 15, 2010 and interim periods within those years. Early adoption is not permitted. We are currently assessing the potential impact, if any, of adopting this update on our financial statements.

INDUSTRY

Introduction

Data centers are a key component of the Internet and enterprise IT infrastructure. Data center services providers offer infrastructure, managed hardware and software services, including physical facilities, housing large amounts of network and computing equipment, running mission-critical applications, storing valuable and confidential information, providing Internet connectivity and facilitating various software solutions to satisfy computing and security needs. Typical data center services include:

- *Hosting Services.* Data centers provide customers with high quality, secure and reliable infrastructure for customers' network and computing needs, including building space, power, cooling and security systems and network connectivity. Managed hosting services may include hardware, operating systems or networking services for customers, allowing customers to focus on managing their own applications.
- *Managed Network Services.* Managed network services refer to utilization of proprietary network and specialized routing technologies to optimize Internet connectivity and interconnection across networks to facilitate efficient application and content delivery over the Internet.
- *Cloud-Based Services.* Cloud-based services pool data center infrastructure and computing resources to be delivered on-demand over the Internet. We believe cloud-based services and applications are central to the future of the data center industry.

Depending on the operators, data center facilities can be classified into the following three categories:

- *Carrier-Neutral or Network-Independent.* These facilities are network agnostic and offer interconnection to networks operated by multiple network service carriers and Internet Service Providers, or ISPs.
- *Carrier-Operated.* These facilities are operated by network services carriers who own or manage networks and typically require customers to use the carrier's own network. They may allow interconnection with a limited number of alternative networks for backup and reliability.
- *In-House.* These facilities are owned or operated by the end users, usually large corporations and organizations.

With increasing broadband Internet penetration, significant growth of data traffic and a global shift toward the infrastructure-as-a-service, or IaaS, model, data centers and the services they offer are expected to continue their strong growth momentum globally.

Development of China's Data Center Services Market

The data center services market in China has experienced significant growth in recent years and is expected to continue to grow rapidly. The growth is primarily driven by the rapid growth of data traffic from enterprises, government entities and individuals, resulting in significant increases in demand for high quality Internet infrastructure. Specifically, the following factors have contributed, and are expected to continue to contribute, to the growth of the data center services market in China:

- *Increasing Internet Penetration.* In 2008, China surpassed the United States as the largest Internet market in terms of users and is projected to grow from 389 million users in 2009 to 558 million users in 2014, representing a CAGR of 7.5%, according to Euromonitor International. According to China Internet Network Information Center, or CNNIC, 98.3% of the households with Internet access in China have access to broadband connection. Rising penetration rates and popularity make the Internet an increasingly critical part of the social and economical developments in China.

- *Increasing Consumption of Online Media Content.* Online media consumption, including online videos, online games and social network services, is growing rapidly in China. According to Cisco Visual Networking Index, China's Internet video IP traffic is expected to grow at a CAGR of 52.1% from 295.9 Petabytes in 2009 to 2,405.3 Petabytes in 2014. Online games, being highly interactive and graphic-rich in nature, are another form of resource-intensive online entertainment. According to IDC, the number of online game players in China was 65.9 million in 2009 and is expected to increase to 123.0 million by 2014, representing a CAGR of 13.3%. Online media content requires large amounts of bandwidth, data storage and other Internet resources. The increasing prevalence and data-intensity of these applications is expected to be a major demand driver for the data center services industry.
- *Increasing Mobile Internet Usage.* China has the largest population of mobile subscribers in the world. Demand for mobile content, including information, images, music, video, and games, has increased dramatically as wireless networks and mobile phones advanced technologically. Consumers in China are increasingly embracing mobile devices as another way to access the Internet. According to CNNIC, as of December 2010, 66.2% of Internet users in China accessed the Internet using their mobile phones or other mobile devices. According to Cisco Visual Networking Index, China's mobile IP traffic is expected to increase more than 130 times from 1.5 Petabytes in 2009 to 200.8 Petabytes in 2014. As China's mobile market matures and more advanced standards and technologies are implemented, the mobile channel will be increasingly important for consumer media, content and applications consumption.
- *Growing IT Outsourcing by Enterprises.* In the past, most Chinese enterprises opted to keep their data center requirements in-house. However, several recent trends have led more and more enterprises to consider and/or choose to outsource some or all of their data center requirements. Data center needs have increased rapidly driven by a combination of the rapid development of China's economy, increasing globalization, regulation, proliferation of bandwidth intensive applications, usage of rich media content, and business continuity and disaster recovery needs. According to IDC, the IT services market in China is expected to grow from US$10.7 billion in 2009 to US$20.6 billion in 2014, representing a CAGR of 14.1%. At the same time, enterprise IT departments are seeking to control IT related costs, which makes the use of third-party data center services providers increasingly attractive.
- *Cloud Computing.* Cloud computing allows businesses to run their applications on servers managed by data center services providers. By using cloud computing technologies to pool and resell computing and storage resources of the servers, cloud hosting services providers deliver several advantages compared to traditional hosting services providers, including ordering on-demand, flexible utility-based pricing schemes, no hardware or software management and rapid deployment for customers. We expect this market in China will grow rapidly in the future. According to IDC, Software-as-a-Service, or SaaS, revenues in China are estimated to grow from US$88.6 million in 2009 to US$315.4 million in 2014, representing a CAGR of 28.9%.

Key Characteristics of the Internet Infrastructure Landscape in China

With the growing prevalence of the Internet, the strain on China's Internet infrastructure is greater than ever. The key characteristics of the current Internet infrastructure landscape in China include:

- *The inadequacy of, and the complexity of building, network interconnectivity.* The Internet consists of many interconnected networks, or subnets. Without adequate interconnection between these networks, data transmissions between subnets can be considerably slower and less reliable than transmissions within subnets.

  In China, major subnets are operated by different carriers in each province and are interconnected through three main national network access points, or NAPs, in Beijing, Shanghai and Guangzhou and a limited number of local direct interconnections. A NAP is a major Internet interconnection point that serves to connect all the Internet access providers together. As Internet usage has surged in China, these interconnections have become significant bottlenecks for Internet traffic in China. However, the

dominance of China Telecom and China Unicom in southern and northern China, respectively, and their efforts to prevent one another from entering its traditional market have prevented the construction of better interconnection. According to a Gartner survey of 150 large enterprises in China in November 2010, 37% of its respondents ranked network congestion and connectivity architecture as the third biggest challenge for data center hardware infrastructure challenges through 2011.[1] Even within each carrier's subnet, inter-provincial network traffic is generally slower than intra-provincial traffic because local telecommunication providers typically reserve their limited network bandwidth to meet demands by local customers from which the providers generate most of their revenues.

Carrier-neutral data center providers, by operating networks that are not divided by carriers or provincial boundaries, are better positioned to provide uniform and faster Internet connection to businesses and organizations in China.

- *Underdeveloped Internet Infrastructure*. Despite the growth of Internet services and applications, the public Internet infrastructure in China is inadequately equipped to handle the bandwidth requirements and data traffic consumed by today's Internet users. As demand for data intensive content and applications grows, we expect the strain on China's network infrastructure to continue. According to a Gartner survey of 150 large enterprises in China in November 2010, 39% and 38% of its respondents ranked data growth and data center management issues as the top one and two challenges, respectively for data center hardware infrastructure challenges through 2011.[1]
- *Lack of Expertise of and Underinvestment in In-House IT Departments.* Most in-house IT departments in China suffer from insufficient network expertise and budget constraints to develop adequate data center support for the enterprise. According to IDC, the network management spending in China is expected to grow from US$366.5 million in 2009 to US$851.0 million in 2014 at a CAGR of 18.3%, and network consulting and integration spending in China is expected to grow from US$1,076.8 million to US$1,663.8 million in 2014 at a CAGR of 9.1%. As a result, the economies of scale and expertise offered by third-party data center services providers are even more critical to Chinese enterprises.
- *Concentrated and Heavily Regulated Telecommunications Landscape*. China's telecommunications industry is dominated by China Telecom, China Unicom, and to a lesser degree, China Mobile. According to IDC, in 2009, carriers occupied 64.9% of the data center services market. Each of China Telecom, China Unicom and China Mobile has a nationwide telecommunications business license and operates nationwide networks that serve as common platforms for land-line telephone, mobile and Internet services. Five other non-carrier networks, together with the networks of these three carriers, form the Internet backbone in China. Among the three, CHINANET, operated by China Telecom, and UNINET, operated by China Unicom, are the largest networks in China, with CHINANET operating predominantly in southern China and UNINET operating predominantly in northern China.

  China's telecommunications and Internet industries are also heavily regulated by several ministries and other regulatory bodies. As part of China's twelfth five-year-plan (2011-2015) issued by the State Council and the State Administration of Radio Film and Television, the "Three-Networks Convergence" has been formally announced as a goal for the next five years. The convergence of Internet, telecommunications and broadcasting networks in China is expected to result in a new round of network infrastructure construction.

(1) The Gartner Report(s) described herein (the "Gartner Report(s)") represent(s) data, research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. ("Gartner"), and are not representations of fact. Each Gartner Report speaks as of its original publication date (and not as of the date of this Prospectus) and the opinions expressed in the Gartner Report(s) are subject to change without notice.

Key Factors in Selecting a Data Center Services Provider

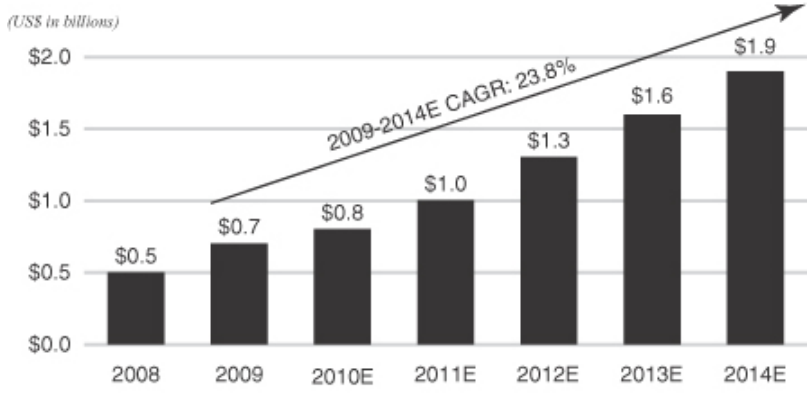
We believe that when choosing a data center services provider, customers typically consider the following key factors:

- *Interconnectivity Between Networks.* To address the issue of lack of interconnectivity in China's Internet infrastructure, it is important that data center services providers offer the highest level of Internet connectivity and ensure seamless interconnection with all carrier networks and the customers' business partners located on those networks.
- *Infrastructure Reliability, Security and Scale*: The ever-increasing importance of operation continuity in the online environment calls for infrastructure that can deliver the most reliable power supply and environmental conditions, such as temperature and humidity control, and the highest level of security and capacity commitments.
- *Geographic Coverage of Data Centers.* Large customers such as Internet content providers typically require their data centers to be located across the nation. As such, it is important for a data center services provider to have a broad geographical footprint so that its customers can take advantage of the faster interconnectivity as well as other services, such as routing and application ecosystem.
- *Technology and Value-Added Services.* Data center service providers are increasingly providing more value-added services such as technical maintenance, disaster recovery and managed network services, in addition to basic hosting. In particular, we believe the underdeveloped network infrastructure in China will result in greater demand for sophisticated smart routing and other managed network services.
- *Customer Service and Response Time*: Due to the mission critical nature of the networking and computing equipment hosted by data center services providers, it is critical that customers can reach the appropriate customer service team anytime when there is any issue. As a result, data center services providers typically need a very strong customer service team focused on quality assurance.

As a result, while carrier-operated data centers historically have held dominant positions in the data center industry in China, the demand for carrier-neutral data center services has experienced significant growth. According to IDC, in 2009, carriers occupied 64.9% of the data center services market, while carrier-neutral data center providers shared the remaining 35.1% of the market, an increase from 32.1% in 2008.

According to IDC, the total data center services market in China was US$667.1 million in 2009, a 22.7% increase over 2008, and is expected to reach US$1.9 billion by 2014, representing a five-year CAGR of 23.8%. The following chart sets forth historical and projected revenues of the data center services market in China:

Revenues of the Data Center Services Market in China



Source: IDC, 2010.

BUSINESS

Overview

We are the largest carrier-neutral Internet data center services provider in China as measured by revenues in 2009, according to data released by IDC, a third-party research firm. We host our customers' servers and networking equipment and provide interconnectivity to improve the performance, availability and security of their Internet infrastructure. We also provide managed network services to enable customers to deliver data across the Internet in a faster and more reliable manner through our extensive data transmission network and our proprietary BroadEx smart routing technology. We believe that the scale of our data center and networking assets positions us well to capture opportunities and become a leader in the rapidly emerging market for cloud computing infrastructure services in China.

Our infrastructure consists of our high-quality data centers and an extensive data transmission network. As of December 31, 2010, we operate 47 data centers located in 33 cities throughout China, including all of China's major Internet hubs, with over 5,700 cabinets under management that house over 39,000 servers. Our data transmission network includes more than 260 POPs, which are access points from one place to the rest of the Internet. Most of our data centers and all of our POPs are connected by our private optical fibers network across China.

As a carrier-neutral Internet infrastructure services provider, our infrastructure is interconnected with the networks operated by all China's telecommunications carriers, major non-carriers and local Internet service providers. The interconnectivity enables each of our data centers to function as a network access point for our customer's data traffic. In addition, our proprietary BroadEx smart routing technology allows us to automatically select an optimized route to direct our customers' data traffic to ensure fast and reliable data transmission. We believe this high-level interconnectivity within and beyond our network distinguishes ourselves from our competitors and provides an effective solution to address our customers' needs that arise from inadequate network interconnectivity in China.

We have a diversified customer base. As of December 31, 2010, we had more than 1,300 customers, including many leading Chinese and global companies operating in China across a broad range of industries. Our customers include Internet companies, government entities, blue-chip enterprises and small- to mid-sized enterprises. Our average monthly churn rate as measured by monthly recurring revenues was approximately 0.9% in 2010. Our monthly recurring revenue from our top 20 customers in 2010 has increased from RMB7.7 million (US$1.2 million) in January 2009 to RMB18.2 million (US$2.7 million) in December 2010.

Our net revenues increased from RMB240.8 million in 2008, to RMB313.6 million in 2009 and to RMB525.2 million (US$79.6 million) in 2010, representing a CAGR of 47.7% from 2008 to 2010. The total number of cabinets under our management increased from 2,787 as of December 31, 2008 to 4,157 as of December 31, 2009 and to 5,750 as of December 31, 2010. Our average monthly recurring revenues increased from RMB20.7 million in 2008 to RMB41.9 million (US$6.3 million) in 2010. We recorded a net profit from continuing operations of RMB10.6 million and RMB60.0 million in 2008 and 2009, respectively. Our net loss from continuing operations in 2010 was RMB234.7 million (US$35.6 million), which reflected share-based compensation expenses of RMB277.9 million (US$42.1 million).

Our Strengths

We believe that the following are our key competitive strengths that have contributed significantly to our success and differentiated us from our competitors:

Leading Market Position and Strong Brand Recognition

We are the largest carrier-neutral data center services provider in China as measured by revenues in 2009, according to data released by IDC, a third-party research firm. We manage over 5,700 cabinets, which house more than 39,000 servers for over 1,300 customers.

We have established a strong brand and reputation for high service quality, as evidenced by the numerous awards and recognitions we have received, including the "*Excellent Data Center Service Provider*" award granted by CCW Research in 2010, the "*Best Data Center Service Supplier*" award granted by the Fourth Annual Ceremony of China's Data Center Industry in 2009, and number one in customer satisfaction in a survey conducted by CCW Research on China's data centers in 2009. As a market leader in China's carrier-neutral data center industry, we are able to leverage our scale and reputation to effectively lower our customer acquisition costs and better serve our customers. Due to our high-quality services and track record, we are able to command premium pricing while maintaining a loyal customer base.

Premium Data Centers and Extensive Interconnected Nationwide Data Transmission Network

We currently operate 47 data centers located in 33 cities in China, including all of China's major Internet network access points, such as Beijing, Shanghai, Shenzhen and Guangzhou. Each of our data centers features advanced design, security, power and cooling elements to provide customers with industry-leading reliability in China. In addition, we have more than 260 POPs throughout China. We believe we were the first data center service provider in China to receive the ISO 9002 quality system certification by both the American Registrar Accreditation Board and the United Kingdom Accreditation Service.

Our data centers are interconnected with networks operated by all carriers, major non-carriers and local ISPs in China. Most of our data centers are connected by our private optical fibers network that includes redundant connections. Coupled with our high-quality data center infrastructure and proprietary BroadEx smart routing technology, we believe that our hosting services and managed network services provide our customers with superior interconnectivity, which differentiates us from our competitors.

We believe that our premium data centers and extensive interconnected nationwide network, which require major investments in capital, time and human resources, are not easy to replicate and provide us with a competitive advantage.

Diversified and Loyal Customer Base

We had more than 1,300 customers as of December 31, 2010, including some of China's and the world's leading companies. Our diversified customer base includes major Internet companies, government entities, blue-chip enterprises and small- to mid-sized enterprises. Given the breadth of our customer base, the largest single customer accounted for at most 4% of net revenues in any of the periods covered. Revenue from our top five customers accounted for less than 16% of our total revenue in 2010. We have a loyal customer base, as evidenced by our low churn rate. Our average monthly churn rate as measured by monthly recurring revenues was 0.9% in 2010. Our monthly recurring revenue from our top 20 customers in 2010 has increased from RMB7.7 million (US$1.2 million) in January 2009 to RMB18.2 million (US$2.7 million) in December 2010. Our experience in serving market leaders in different sectors also provides us with industry knowledge, operational expertise and credibility that we can leverage in cross-selling additional services to our existing customers and attracting new customers.

Strong Focus on Customer Satisfaction and Technological Innovation

We believe our strong focus on customer satisfaction and technological innovation has contributed to our success. We encourage our employees to go above and beyond to serve customers and we devote significant

resources to customer support and services. We offer service level agreements to almost all of our customers and are committed to meeting and exceeding our customers' expectations. In addition, we are committed to developing new technologies and have cultivated an innovation-focused corporate culture. Our innovative spirit starts with our co-founders, who we believe built the first carrier-neutral data center in China and led several technological innovations, including our proprietary BroadEx smart routing technology and container-based data centers.

In-depth Industry Knowledge and Strong Research and Development Capabilities

We began providing data center services in 2000 and have accumulated extensive knowledge of and experience in China's telecommunication networks and Internet sector. We have also developed a deep understanding of customer needs, which have enabled us to provide customized solutions to address the unique characteristics of the Chinese market. For instance, our knowledge of the routing policies of various routers allows us to provide smarter and more efficient routing services and interconnectivity to our customers. As a first mover in China's data center services market, many of our business practices have become the standards of the industry. For example, we believe we were the first data center service provider in China that promoted a service level agreement, which guarantees 99.9% uptime for Internet connectivity and 99.99% uptime for power.

Our strong research and development capabilities support and enhance our service offerings. We believe that we have one of the most experienced research and development teams in the data center services market in China. We devote significant resources to our research and development efforts, focusing on technological innovation, improving customer experience, increasing our operational efficiency and bringing innovative solutions to the market quickly. Our research and development efforts have yielded two patents, eight patent applications and three software copyright registrations, all in China and relating to different aspects of data center services. In 2010, we developed and commercialized a container-based data center, which we believe was the first in China. This will extend the boundaries of the traditional brick and mortar data centers and expand our product offerings to our customers.

Experienced and Stable Management Team

We benefit from the steady leadership of a management team with rich operational experience and strong execution capabilities. Led by Mr. Sheng Chen, our co-founder and chief executive officer, our senior management team combines extensive knowledge of, and experience in, China's data center services industry. In particular, Mr. Sheng Chen has more than 20 years of experience in China's Internet and telecommunication industry and pioneers the development of data centers in China. Mr. Jun Zhang, our co-founder and chief operating officer, is also an industry veteran with extensive experience and relationship networks in the Internet and information technology sector. Almost all of our senior management has worked together since our inception. This group of industry veterans and their long-term teamwork is key to our continuing growth.

Our Strategy

Our goal is to strengthen our leadership position in the Internet infrastructure services market in China. We intend to achieve our goal by pursuing the following strategies:

Increase the Number of Cabinets under Management

We plan to further increase the number of cabinets we manage and the number of data centers we operate. Where there is a critical mass of demand for our services, our strategy is to build data centers by installing our own cabinets and data center equipment in a power-based building leased from third parties. We also partner with China Telecom or China Unicom to operate data centers in their facilities in order to accommodate our customers' immediate needs and we make strategic plans to secure sufficient space to meet their long-term growth needs. We are currently building six additional data centers in China's major Internet cities: Beijing, Shanghai, Shenzhen, Hangzhou, Xi'an and greater Guangzhou metropolitan area, which will both help us meet

increased customer demand. We also plan to build and utilize container-based data centers as a rapid way to add more cabinets under management. With our additional self-built and partnered data centers, we plan to increase the aggregate number of cabinets under management from over 5,700 cabinets currently to over 10,000 cabinets by the end of 2013. We believe these initiatives will generate more revenues for us and strengthen our leading market position.

Expand and Optimize Our Network

We intend to expand our private optical fibers network to cover all of our major data centers throughout China to further improve the interconnectivity among our data centers and POPs and optimize our network. We plan to increase the number of our POPs and our total gateway bandwidth capacity from 295 gigabytes per second currently to 1,000 gigabytes per second by the end of 2013. We will continue to focus on research and development to enhance our proprietary smart-routing technologies and optimize our network. We believe that data centers supported by an intelligent and extensive network will become increasingly important in the data center services business in the future.

By expanding and optimizing our network, we can improve our service quality and increase our profitability through better utilization of bandwidth resources within our network. With a stronger and smarter network, we believe that we will be in a better position to capture the significant growth opportunities in cloud computing and content delivery network services.

Broaden Our Customer Base and Deepen Customer Relationships

We plan to further expand our sales team and geographic coverage and explore opportunities in other fast-growing markets, such as mobile computing and cloud computing. We intend to continue to maintain and deepen our relationships with our existing customers, expand our market share, and maintain or increase our customer retention rate. With respect to our major Internet customers and blue-chip enterprise customers, we intend to follow their growing needs and expand our operations accordingly. We also plan to continue to enhance our product offerings and leverage our existing customer relationships to cross-sell additional services.

Capitalize on the Growth Opportunities in Cloud Computing

The rapid growth of cloud computing creates a demand for cloud infrastructure services and we believe the scale of our data center and networking assets position us as a leader in the rapidly emerging market for cloud computing infrastructure services. The breadth of our data center and network coverage together with the interconnectivity of our data centers enable us to serve as a key infrastructure provider for the establishment of China's cloud computing environment. We plan to build mega data centers and edge data centers equipped with container-based data centers to form a distribution cloud infrastructure platform. Our data centers can serve as a cloud business exchange, and our hosting network can function as a cloud area network and provide network services on demand. As more customers outsource their needs for cloud infrastructure, we expect that their needs for servers, networking equipment and cloud computing enabling technologies will increase. While most servers housed in our data centers are owned by our customers, and most customers currently handle their own operating systems and applications, we plan to purchase more servers, equipment and operating systems to support comprehensive cloud infrastructure service offerings. In addition, we are developing a platform for a virtualization environment that is tailored for cloud computing and enables virtualization of enterprise technologies and applications.

Develop A Network Ecosystem in China

As our clients migrate their data and applications to our data centers, it is beneficial for their suppliers and business partners to do so as well to gain the full economic and performance benefits of direct access,

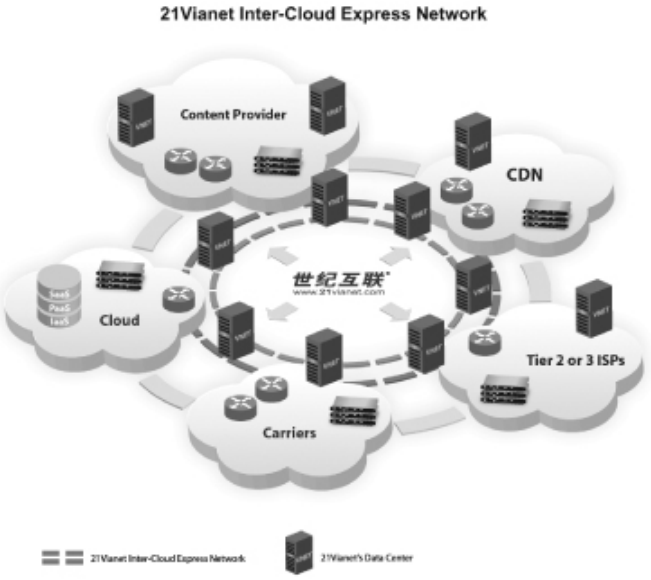
interconnection and shortened response time. These partners, in turn, help pull in their business partners, creating a "network effect" of customer adoption. We plan to leverage the superior interconnectivity of our networks and our market leading position to proactively attract a critical mass of customers that can benefit from physical collocation proximity with their business partners and become the first in China to develop a "network ecosystem" in the data center services industry. We believe such an ecosystem will enable us to gain additional customers, reduce our sales and marketing expenses, and in turn strengthen our leadership position as a carrier-neutral data center services provider and further increase entry barriers.

Pursue Strategic Acquisitions, Investments and Alliances

We intend to prudently pursue acquisitions, investments and alliances and consider opportunities that are strategically complementary and that can add long-term value to our shareholders. We believe selective strategic alliances, investments or acquisitions may benefit us by increasing our market share, helping us gain new customers, acquiring complementary technologies that provide opportunities for operating scalability and expanding our geographic presence across China.

Our Solutions

Demand for high quality data centers and better interconnectivity has grown rapidly in the past few years and is expected to continue to grow in the future. Low interconnectivity among China's data centers has been an issue due to the lack of direct interconnections among carriers. As a carrier-neutral data center services provider with an interconnected network, we believe we are well-positioned to capture these market opportunities. The following chart illustrates our current infrastructure landscape and our relationships to China's major telecommunication carriers and other ISPs:



ISP: Internet Service Provider
SaaS: Software-as-a-Service
PaaS: Platform-as-a-Service
CDN: Content Delivery Network

We believe our data centers and extensive data transmission network lay a solid foundation for us to provide effective solutions to address the lack of interconnectivity in China and meet the increasing demand for highly-connected high-quality data centers.

Our Service Offerings

We primarily generate revenues from providing hosting and related services and managed network services. We provide hosting and related services to house servers and networking equipment in our secure data centers and connect them through our extensive data transmission network, and offer other hosting related value-added services. Our managed network services allow our customers to transmit data across the Internet in a faster and more reliable manner through our BroadEx smart routing optimization technology through our hosting area network and data transmission network.

Hosting and Related Services

Our hosting and related services including the following:

- managed hosting services that dedicate data center space to house our customers' servers and networking equipment and provide tailored server administration services;
- interconnectivity services that allow customers to connect their servers with Internet backbones in China and other networks through our Border Gateway Protocol, or BGP, network, or our single-line, dual-line or multiple-line networks; and
- value-added services, including firewall services, server load balancing, data backup and recovery, data center management, server management, and backup server services.

Our data centers host the servers of our customers and meet their needs to deploy computing, network, storage and IT infrastructure. Customers have the option to either place their servers and equipment in standard cabinets dedicated for their private use, or in cabinets shared with other customers. They can customize their cabinet space for their servers, network connections and equipment. Customers can elect to buy the hardware that they place within their cabinets from their chosen vendors. In addition, customers can also lease power-based space, sometimes in a cage, where they can place their own cabinets in our data centers.

Our hosting and related services are scalable, allowing our customers to purchase space and upgrade connectivity and services as their requirements evolve. In addition, our customers benefit from our data centers' wide range of physical security features, including sensitive smoke detection systems, fire suppression systems, secured access, around-the-clock video camera surveillance and security breach alarms. Our data centers are fully-redundant and feature resilient power supplies, energy efficiency design, connection with multiple network providers and 24/7 on-site support from our skilled engineers. As a result, we are able to guarantee 99.99% uptime for power in our service level agreements.

We believe another main reason customers choose our services is our access to multiple carriers and service providers and the availability of multiple-provider bandwidth. By securing multiple vendors for connectivity and using redundant hardware, we are able to guarantee 99.9% Internet connectivity uptime.

Managed Hosting Services

Our managed hosting services allow customers to lease partial or entire cabinet for their servers. Our customers have full control over their server(s) housed in our data centers. Depending on customer needs, we

provide different levels of tailored server administration services, including operating system support and assistance with updates, server monitoring, server backup and restoration, server security evaluation, firewall services, and disaster recovery. Our customers' servers are housed in our secure data centers providing redundant power sources and heating, ventilating and air conditioning systems. Managed hosting relieves customers from the daily pressures of IT infrastructure maintenance so that they can focus on their core businesses.

Our data centers host the servers of our customers and meet their customized needs to deploy computing, network, storage and IT infrastructure. Customers have the option to either place their servers and equipment in standard cabinets dedicated for their private use, or in cabinets shared with other customers. They can customize their cabinet space for their servers, network connections and equipment. Customers can elect to buy the hardware that they place within their cabinets from their chosen vendors. In addition, customers can also lease power-based space, sometimes in a cage, where they can place their own cabinets in our data centers.

Interconnectivity Services

Our interconnectivity services connect our data centers with China's Internet backbones and other networks in the following ways:

- *Border Gateway Protocol (BGP) Network Services*. We provide network services that use BGP routing policies. BGP exchanges routing information for the Internet and is the protocol used between ISPs, backing the core routing decisions on the Internet. Customers connect to ISPs, and ISPs use BGP to exchange customer and ISP routes, bypassing major Internet hubs. This allows the Internet to become a decentralized system, thereby reduce traffic congestion and data transmission time. BGP network is generally considered a premium network service due to its improved Internet connectivity and data reachability.
- *Single-Line and Dual-Line Network Services*. China Telecom and China Unicom are the two major telecommunication carriers in China. Some customers may choose to connect their servers only to one carrier while others choose to connect their servers to both China Telecom and China Unicom. Dual-line network provides more stable Internet access and ensures better business continuity because when one line is down or interrupted, the other line can still provide Internet connectivity.
- *Multiple-Line Network Services*. As a carrier neutral service provider, our data centers are connected to all carrier and non-carrier networks in China, namely, China Telecom, China Unicom, China Mobile, China Education Network, China Satcom, China Railcom (Tietong) and China Science and Technology Network.

In addition to our interconnectivity services, we also provide customers with traffic charts and analysis, gateway monitoring for servers, domain name system setup, defense mechanism against distributed denial of service (DDOS) attacks, basic setting of switches and routers, and virus protections. DDOS attack is an attempt to make a computer's resource unavailable to its intended users. We generally charge fees for our various types of interconnectivity services at the end of each month based on the customers' bandwidth usage.

Value-Added Services

To complement our hosting services and enhance our customers' experiences, we also provide value-added services, including firewall services, server load balancing, data backup and recovery, data center management, server management, and backup server services.

- *Firewall Services*. Customers can lease our hardware firewalls, which can be configured according to their specific requirements. Hardware firewalls protect servers from outside attacks and other unlawful invasions. We notify our customers promptly once we find out that their servers are under attack or subject to invasion.

- *Server Load Balancing Services*. When websites experience significant traffic increases, servers may not be able to respond timely to visiting requests. Our server load balancing services are designed to address this issue by providing load balancing facilities to share the increased traffic and therefore moderate the burden on main servers of our customers.
- *Data Backup and Recovery Services*. We provide data backup services to our customers to recover any lost or damaged data.
- *Backup Server Services*. Our backup servers can temporarily replace the main servers of our customers when needed, minimizing interruptions and losses for our customers.
- *Data Center Management Services*. Our compliance with high industry standards has earned us a reputation for operating and maintaining high-quality data centers. From time to time, we maintain and operate the data centers of other service providers, such as China Telecom and China Mobile.
- *Server Management Services*. Our server management services allow customers to engage the services of our data center staff to handle problems that occur to their servers. At the customers' request, our staff can fix operating system issues, perform emergency equipment replacement and other tasks related to the servers housed in our data centers. These services help customers minimize network outages and improve response and repair times.

Managed Network Services

Our managed network services are primarily offered in the form of bandwidth, which is optimized through our proprietary BroadEx smart routing platform and supplemented by our hosting area network and our data transmission network. In September 2010, we acquired the Managed Network Entities, to expand our managed network services business.

Our managed network services primarily consist the following:

- *Hosting Area Network Services*. Our data centers are distributed throughout China. We connect most of our data centers with private optical fibers, forming our hosting area network. Our hosting area network connects the servers housed in our data centers so that data transmission among our customers can be achieved without going through telecommunication backbones or Internet hubs, enabling secure, faster and more reliable data transmission.
- *BroadEx Route Optimization*. In China, carriers operate generally as independent systems and their networks are not connected with each other. Because we are connected to all major carriers, customers that use services from one carrier can reach users of other carriers through our network or through other Internet hubs. Our proprietary BroadEx system is a smart routing platform, which functions like an intelligent switchboard automatically selecting the best and fastest routes and directing traffic through either our own or other networks. For example, from our data centers, we can direct data to the networks of China Telecom or China Unicom, or, when the networks of China Telecom and China Unicom are congested or otherwise experiencing problems, to our own transmission networks.

  Through our proprietary BroadEx smart routing technology, we are able to optimize the connectivity of our network and deliver data in a fast and efficient manner.

Cloud Infrastructure Services

The scale of our data centers and networking assets position us as a leader in the rapidly emerging market for cloud infrastructure services, also known as IaaS. Generally, IaaS is designed to allow businesses to run their applications over the Internet rather than having an IT infrastructure on their own premises. Instead of purchasing data center spaces, network equipment, servers and other computing equipment, customers can purchase a portion of the pooled computing resources, load applications onto virtual servers, and pay on an on-demand

basis. IaaS providers own the computing equipment and are responsible for housing, running and maintaining it. Our self-built data centers are the anchor data centers on the cloud infrastructure system that we are building. While most servers housed in our data centers are owned by our customers and most customers handle their own operating systems and applications currently, we plan to purchase more servers, equipment and operating systems to capture potential growth opportunities in the cloud infrastructure services business.

Our Infrastructure

Our infrastructure, which consists of our premium data centers and extensive network, is the foundation upon which we provide services to our customers. As of December 31, 2010, we operate 47 data centers located in 33 cities throughout China, which have more than 5,700 cabinets and can potentially host more than 39,000 servers at the same time. In addition, we also offer container-based data center service. Our extensive network, consisting of private optical fibers and more than 260 POPs, is a "high-speed Internet railway" that connects our data centers and links our data centers to China's telecommunication backbones.

Our Data Centers

We operate two types of data centers: self-built and partnered. We defined "self-built" data centers as those with our owned cabinets and data center equipment housed in buildings leased from third parties. We define "partnered" data centers as the data center space and cabinets we leased from China Telecom or China Unicom through agreements. As of December 31, 2010, we operate three self-built data centers housing 2,645 cabinets and 44 partnered data centers housing 3,105 cabinets.

The table below sets forth the number of data centers and cabinets under our management and the number of servers housed in our data centers as of December 31, 2008, 2009 and 2010.

	As of December 31,		
	2008	2009	2010
Data Centers	16	24	47
Cabinets			
Self-built	897	1,783	2,645
Partnered	1,890	2,374	3,105
Total	2,787	4,157	5,750
Servers	19,661	25,598	39,917

In addition to the 47 data centers we currently operate, we are also building six additional data centers in China's major Internet cities: Beijing, Shanghai, Shenzhen, Hangzhou, Xi'an and greater Guangzhou metropolitan area. We plan to lease additional cabinets from China Telecom and China Unicom to meet the immediate demands of our customers.

Our data centers are located in 33 cities in China and we plan to increase our geographic coverage to 50 cities by the end of 2012. Our nationwide network data centers not only enables us to serve customers in extended geographic areas, but also establishes a national data transmission network that sets up connections among carriers and service providers in various locations.

We build and operate our data centers in compliance with high industry standards in order to provide our customers with secure and reliable environments that are necessary for optimal Internet interconnectivity. Our data centers generally feature:

- *Resilient Power* - Redundant, high-capacity and stable power supplies, backed by UPS and diesel generators;

- *Physical Security* - Round-the-clock monitoring by on-site personnel which includes verification of all persons entering the building, security barriers, video camera surveillance and security breach alarms;
- *Controlled Access* - Access to the buildings, data floors and individual areas designated for particular customers via individually-programmed access cards and visual identification;
- *Fire Detection and Suppression* - Sensitive smoke detectors linked to building management systems provide early detection to help avoid fire, loss and business disruption. These are complemented by an environmentally-friendly gas-based or water mist fire suppression system to put out fires;
- *Air Conditioning* - To ensure optimal performance and avoid equipment failure, all data floors are managed to ensure that customers' equipment is maintained at a controlled temperature and humidity;
- *24/7 Support* - We staff our data centers with capable and experienced service teams and we believe we were the first data center service provider in China to offer 24/7 customer service.

These features minimize chances of interruption to the servers housed in our data centers and ensure the business continuity of our customers. In addition, we believe we were the first data center service provider in China to receive both the ISO 9002 quality system certification by the American Registrar Accreditation Board and certification by the United Kingdom Accreditation Service.

Container Data Centers. In addition to conventional data centers, we also offer container-based data center services. One of the advantages of a container-based design is that the data center can easily be moved to other locations or facilities as the containers only require hookups for electricity, chilled water and network connectivity. Our containers are pre-populated with servers and support equipment, eliminating the need to unpack and install servers when the data centers move to a different location. Our first container-based data center also features energy-efficient designs and has the potential to house 18 cabinets, or 720 servers. We plan to build and deploy more container-based data centers in the next few years.

Our Network

Our network transmits data and directs Internet traffic mostly through private optical fibers, forming an Internet highway system that is linked to the networks of major carriers, non-carriers and ISPs and enhances communications among our data centers, our customers and end users located throughout China and around the world. Our data centers are connected by our private optical fibers that include redundant connections with an estimated capacity of 295 gigabytes per second to nearly all locations. As of December 31, 2010, our network connects more than 260 POPs throughout China with private optical fibers.

The table below sets forth the number of our POPs and our network service capacity as of the periods ended December 31, 2008, 2009 and 2010. The information below reflects our acquisition of the Managed Network Entities in September 2010.

	As of December 31,		
	2008	2009	2010
Number of POPs	15	30	267
Estimated Network Service Capacity*	61	121	295

* By Gigabytes per second

Our network also features numerous interfaces with all seven telecommunication carriers in China, which are China Telecom, China Unicom, China Mobile, China Education Network, China Satcom, China Railcom (Tietong) and China Science and Technology Network. Our network is not only connected to the headquarters of each carrier, but also with their local networks in the provinces.

Due to our high-quality data center infrastructure, extensive data transmission network and proprietary BroadEx smart routing technologies, we are able to deliver high-performance hosting and managed network services that can effectively meet our customers' business needs, improve interconnectivity among service providers and end users, and effectively address the issue of inadequate network interconnectivity in China.

Customers and Customer Support

Our Customers

We had more than 1,300 customers as of December 31, 2010, including some of China's and the world's leading companies. Our diversified customer base includes major Internet companies, blue-chip enterprises, and small- to mid-sized enterprises. Given the breadth of our customer base, the largest single customer accounted for at most 4% of net revenues in any of the past three years. Revenue from our top five customers accounted for less than 16% of our total revenue in 2010. We have a loyal customer base, as evidenced by our low churn rate. Our monthly average churn rate as measured by monthly recurring revenues was 3.3%, 0.8% and 0.9% in 2008, 2009 and 2010. Our monthly recurring revenue from our top 20 customers in 2010 has increased from RMB7.7 million in January 2009 to RMB18.2 million (US$2.7 million) in December 2010.

Our experience in serving market leaders in various sectors also provides us with industry knowledge, operational expertise and credibility that we can leverage in cross-selling additional services to our existing and potential customers.

The following table sets forth some of the industries we serve and the leading customers in each industry identified below in terms of the monthly recurring revenue derived from each customer in 2010.

Search Engine/Portal	Rich Media	eCommerce	Social Networking	Online Gaming	Enterprises	Mobile Internet
Tencent	Youku	Newegg	Renren	Cyou	KDDI	UCWeb
ChinaHR	Ku6	Vancl	Jiayuan	70yx	Dubon	SKY-MOBI
Yicha	Vodone	Yeepay	58	Tiancity	CITICS	Hurray!
Zhaopin	CCTV	Taobao	Ganji	Duowan	T-System	easou

Our Customer Support

We devote significant resources to provide customers support and services through our dedicated customer service team. We offer service level agreements on most of our services to our customers. Such agreements set the expectations on service level between our customers and us and drive our internal process to meet or exceed the customer's expectations. We believe we were the first data center service provider in China to offer 24/7 customer services. Our network operation center is staffed with skilled engineers trained in network diagnostics and engineering. We require our staff to respond to calls or request from customers within 15 minutes. For major customers, we have a dedicated team to offer specialized services tailored to their specific needs. Areas of customer support include design and improvement of our customers' IT infrastructure and network optimization.

Our customers may directly contact the customer service team to seek assistance or inquire about the status of a reported incident. The team actively follows up with our operations team to ensure that the problems are addressed in an effective and timely manner. Each of our customers is assigned a service manager who is responsible for ensuring that all our services are performed in a satisfactory manner.

Research and Development

Our strong research and development capabilities support and enhance our service offerings. We believe that we have one of the most experienced research and development teams in the Internet infrastructure sector in China. We devote significant resources to our research and development efforts, focusing on improving customer experience, increasing operational efficiency and bringing innovative solutions to the market quickly. Our research and development team consisted of 70 engineers as of December 31, 2010, or 12.0% of our work force. Many of our engineers have more than 10 years of relevant industry experience.

Consistent with our strong innovation culture, we devote significant resources on the research and development of our container-based data centers, our BroadEx smart routing technology and other innovations. We plan to strengthen our research and development in cloud computing infrastructure service technologies. Our research and development efforts have yielded two patents, eight patent applications and three software copyright registrations, all in China and related to different aspects of data center services. We intend to continue to devote a significant amount of time and resources to carry out our research and development efforts.

Technology and Intellectual Property

We use our proprietary BroadEx smart routing technology to optimize network connectivity and overcome the inherent inadequacies in China's telecommunication and Internet infrastructure. Our BroadEx smart routing technology continually monitors and analyzes the performance of all available routes and identifies the most appropriate pathway in real-time. In planning for and finding the optimized routing plan, our BroadEx technology takes into consideration speed (latency), performance, route stability and pocket losses and dynamically responds with intelligent route adjustments in order to ensure that data is traveling along the fastest and most reliable route.

We rely on a combination of copyright, patent, trademark, trade secret and other intellectual property laws, nondisclosure agreements and other protective measures to protect our intellectual property rights. We generally control access to and use of our proprietary software and other confidential information through the use of internal and external controls, including physical and electronic security, contractual protections, and intellectual property law. We have implemented a strict security and information technology management system, including the prohibition of copying and transferring of codes. We educate our staff on the need to, and require them to, comply with such security procedures. We also promote protection through contractual prohibitions, such as requiring our employees to enter into confidentiality and non-compete agreements.

Sales and Marketing

We actively market our portfolio of services and solutions through our direct sales force. Our sales and marketing team is primarily based in Beijing, Shanghai, Guangzhou and Shenzhen. We also have dedicated teams for our key customers and provide them service offerings specially tailored to their needs. We up-sell and cross-sell our broad portfolio of services and solutions to our existing customer base. In addition, in an effort to better anticipate and respond to our customers' needs, we require and foster the collaboration between our sales team and research and development team to develop additional services and solutions that meet the customers' needs.

Our strong brand recognition has been an important driving force for our sales. To strengthen our brand, we focus our marketing efforts on sponsoring seminars, conferences and special events to raise our profile with potential customers. Additionally, we collaborate with equipment vendors, software developers, Internet solution providers and other companies to market our services. We have a special marketing team responsible for generating demand for our services and solutions and work with our other teams to secure new customers.

Competition

We face competition from a wide range of data center service providers, including:

- *Carriers*. We face competition from state-owned telecommunication carriers, including China Telecom and China Unicom. According to IDC, in 2009, carriers occupied 64.9% of the data center services market. In addition, both carriers operate their own networks. Competition is primarily focus on pricing, quality of services and geographic coverage. We believe we are well-positioned to compete with major carriers. Unlike China Telecom and China Unicom, which construct data centers primarily to help sell bandwidth, we provide connectivity to multiple networks in each of our carrier-neutral data centers, providing superior choice and performance. Our private network provides enhanced connectivity among different networks. In comparison, data centers operated by China Telecom and China Unicom generally provide access only to their own network and are often constrained by their networks' coverage. Due to inadequate interconnectivity among Chinese carriers' networks, interconnectivity bottlenecks remain a major problem in China, contributing to slow transmission speeds across services and applications.
- *Carrier-neutral service providers*. We face competition from other carrier-neutral service providers, such as ChinaNetCenter and Dnion Technology. Competition is primarily focused on pricing and the quality and breadth of service offerings. We distinguish ourselves by our superior interconnectivity, extensive data transmission network, large number of high-quality data centers, and superior operations, maintenance and other customer services.
- *In-house data centers*. Businesses may choose to house and maintain their own IT hardware, such as Baidu and Alibaba, and other large enterprises, particularly in the financial services sector. Due to their in-house capabilities, these customers may outsource fewer services to other third-party data center services providers including us, if at all. However, we believe our data centers, coupled with our superior network services, offer a unique combination of hosting services that would make us attractive to businesses with in-house data centers.

In addition, some companies may prefer to locate their core data centers in Hong Kong or other areas outside of the PRC partly due to fear of the PRC governmental control over the Internet. We do not currently compete with data center service providers located in Hong Kong and overseas, but we may compete with them if we expand our service offerings beyond China. We believe that there are currently no foreign competitors with a significant presence in the data center services market in China partly due to the regulatory barriers in China's telecommunications sector. As China represents a potentially lucrative market for foreign competitors, some foreign providers may seek to enter the Chinese market. We believe we have accumulated a deep understanding of the requirements of China's data center market through our extensive operational experience and have developed a comprehensive suite of services and solutions tailored to the unique characteristics of the Internet market in China. As we expand our service offerings, such as cloud infrastructure services, we expect to face more competitions in those areas as well.

Employees

We had 240, 339 and 582 employees as of December 31, 2008, 2009 and 2010, respectively. The following table sets forth the number of our employees by function as of December 31, 2010.

Functional Area	Number of Employees	% of Total
Operations	243	41.8
Sales, marketing and customer support	191	32.8
Research and development	70	12.0
General and administrative	78	13.4
Total	582	100.0%

We plan to hire additional research and development staff and other employees as we expand. Our recruiting efforts include on-campus recruiting, online recruiting and the use of professional recruiters. We partner with leading national research institutions and employ other measures designed to bring us into contact with suitable candidates for employment.

Our full time employees in the PRC participate in a government mandated defined contribution plan pursuant to which certain pension benefits, medical care, unemployment insurance, employee housing fund and other welfare benefits are provided to employees. Chinese labor regulations require that our PRC subsidiaries make contributions to the government for these benefits based on a fixed percentage of the employees' salaries.

Facilities

Our headquarters are located at M5, 1 Jiuxianqiao East Road, Chaoyang District, Beijing, the People's Republic of China. We lease facilities for our office space in Beijing, Shanghai, Guangzhou and Xi'an. Our office leases generally have terms ranging from three to ten years and may be renewed upon expiration of the lease terms. As of December 31, 2010, our offices occupied an aggregate of 5,471 square meters of leased space.

We also lease facilities for our self-built data centers in Beijing located at B28, 10 Jiuxianqiao Road, Chaoyang District through two leases agreements with BOE Technology Group Co., Ltd., which provides an aggregate of 6,367 square meters of leased space and hosted a total of 1,444 cabinets as of December 31, 2010. One lease has a term of five years expiring on April 30, 2015, and the other lease has a term of three years, expiring August 31, 2011. Both leases may be renewed upon mutually agreed-upon terms before they expire.

Legal Proceedings

We may become subject to legal proceedings, investigations and claims incidental to the conduct of our business from time to time. 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, is likely to have a material adverse effect on our business, financial condition or results of operation.

REGULATION

This section sets forth a summary of the most significant regulations or requirements that affect our business activities in China or our shareholders' rights to receive dividends and other distributions from us.

As the Internet and telecommunication industry is still at a relatively early stage of development in China, 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, substantial uncertainties exist regarding the interpretation and implementation of current and future Chinese laws and regulations applicable to the data center services industry. See "Risk Factors—Risks Related to Doing Business in China."

Regulations on Value-Added Telecommunications Business and Data Center Services

Among all of the applicable laws and regulations, the Telecommunications Regulations of the People's Republic of China, or the Telecom Regulations, implemented on September 25, 2000, is the primary governing law, and sets out the general framework for the provision of telecommunication 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 "value-added telecommunications services." Value-added telecommunications services are defined as telecommunications and information services provided through public networks. A "Catalogue of Telecommunications Business" or the Catalogue, was issued as an attachment to the Telecom Regulations to categorize telecommunications services as either basic or value-added. In February 2003, the Catalogue was updated, categorizing online data and transaction processing, on-demand voice and image communications, domestic Internet virtual private networks, data centers, message storage and forwarding (including voice mailbox, e-mail and online fax services), call centers, Internet access, and online information and data search as value-added telecommunications services.

Pursuant to the Telecom Regulations value-added telecommunications services covering two or more provinces, autonomous regions, and/or municipalities directly administered by the central government shall be approved by the Ministry of Industry and Information Technology, or the MIIT, and the providers of such cross-regional value-added telecommunications services are required to obtain the Cross-Regional Value-Added Telecommunications Business Operating Licenses, or the Cross-Regional VAT licenses. Value-added telecommunications services covering certain area within one province, autonomous region, and/or municipality directly administered by the central government shall be approved by the local telecommunications administration authority of such region and the providers of such value-added telecommunications services are required to obtain the VAT licenses. Pursuant to the Administrative Measures for Telecommunications Business Operating Licenses (effective on April 10, 2009, promulgated by the MIIT), Cross-Regional VAT licenses shall be approved and issued by the MIIT with five-year terms.

Currently, 21Vianet Beijing holds a Cross-Regional VAT license issued by the MIIT on July 7, 2009 with an effective term until May 29, 2011 under the first category of the "value-added telecommunications business." As specified in this Cross-Regional VAT license, 21Vianet Beijing is permitted to carry out the data center services across nine cities in China. CYSD holds a Valued Added Technology License issued by Beijing Communications Administration on June 18, 2009, and is permitted to carry out its Internet access service business under the second category of "value-added telecommunications business" in Beijing.

Regulations on Foreign Investment in Telecommunications Enterprises

The PRC government imposes limitations on the foreign ownership of PRC companies that engage in telecommunications-related business. Under the Administrative Rules for Foreign Investments in Telecommunications Enterprises issued by the PRC State Council on December 11, 2001 and effective on January 1, 2002, a foreign investor is currently prohibited from owning more than 50% of the equity interest in a PRC company that engages in value-added telecommunications business.

The Circular on Strengthening the Administration of Foreign Investment in and Operation of Value-Added Telecommunications Business issued by the MIIT on July 13, 2006, among others, requires a foreign investor to set up a foreign-invested enterprise and obtain an operating permit in order to carry out any value-added telecommunications business in China. Under this circular, a domestic value-added telecommunications service operator that holds a VAT license is prohibited from leasing, transferring or selling such license to foreign investors, and from providing any assistance in the form of resources, sites or facilities to foreign investors that conduct value-added telecommunications business illegally in China. Furthermore, the relevant trademarks and domain names that are used in the value-added telecommunications business of domestic operators must be owned by such domestic operators or their shareholders. The circular further requires each VAT license holder to have the necessary facilities for its approved business operations and to maintain such facilities in the regions covered by its VAT license. In addition, all value-added telecommunications service operators are required to maintain network and information security in accordance with the standards set forth under relevant PRC regulations. Due to a lack of interpretations from the regulator, it remains unclear what impact this circular would have on us.

We conduct our businesses in China primarily through contractual arrangements. 21Vianet Technology has contractual arrangements with 21Vianet China, and its respective shareholders. In the opinion of King and Wood, our PRC legal counsel, each of the contracts under the contractual arrangements is valid and legally binding on each party of such arrangements under PRC laws and regulations, and will not result in any violation of PRC laws or regulations currently in effect. However, there are substantial uncertainties regarding the interpretation and application of PRC laws and regulations. Accordingly, there can be no assurance that the PRC regulatory authorities may not in the future take a view that is contrary to the above opinion of our PRC legal counsel. If the PRC government finds that the arrangements that establish the structure for operating our business do not comply with PRC law and regulations restricting foreign investment in the telecommunications business, we could be subject to severe penalties.

In addition, the Circular on Strengthening the Administration of Foreign Investment in and Operation of Value-Added Telecommunications Business provides that domestic telecommunications companies that intend to be listed overseas must obtain the approval from the MIIT for such overseas listing. Up to the date of this prospectus, the MIIT has not issued any definitive rule concerning whether offerings like ours would be deemed an indirect overseas listing of our PRC affiliates that engage in telecommunications business. If the MIIT subsequently requires that we obtain its approval, it may create uncertainties for this offering and have a material adverse effect on the trading price of our ADSs.

Regulations on Foreign Exchange Registration of Overseas Investment by PRC Residents

According to Circular 75 and the relevant SAFE regulations, prior registration with the local SAFE branch is required for PRC residents to establish or to control a company located outside of the PRC, or an offshore company, for the purposes of financing such offshore company with assets or equity interests in an enterprise located in the PRC, or an onshore enterprise. An amendment to registration or filing with the local SAFE branch by such PRC resident is also required for the injection of equity interests or assets of an onshore enterprise in the offshore company or overseas funds raised by such offshore company or another material change involving a change in the capital of the offshore company.

Moreover, Circular 75 and the relevant SAFE regulations apply retroactively. As a result, PRC residents who have established or acquired control of offshore companies that have made onshore investments in the PRC in the past are required to complete the relevant registration with the local SAFE branch. Failure to comply with the registration procedures set forth in Circular 75 and Notice 106 may result in restrictions on the foreign exchange activities of the relevant foreign-invested enterprises, including the payment of dividends and other distributions, such as proceeds from any reduction in capital, share transfer or liquidation, to its offshore parent or affiliate and the capital injection by the offshore parent, and may also subject relevant PRC residents to penalties under PRC foreign exchange administration regulations. See “Risk Factors—Risks Related to Doing

Business in China—PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC resident beneficial owners to personal liability and limit our ability to acquire PRC companies or to inject capital into our PRC subsidiary, limit our PRC subsidiary's ability to distribute profits to us, or otherwise materially and adversely affect us."

Regulations on Employee Stock Option Granted by Listed Companies

On March 28, 2007, the SAFE promulgated the Operating Procedures for Administration of Domestic Individuals Participating in the Employee Stock Ownership Plan or Stock Option Plan of Offshore Listed Companies, or Circular 78. Pursuant to Circular 78, PRC individuals participating in the employee stock option plans of the overseas listed companies shall entrust their employers, including the overseas listed companies and the subsidiaries or branch offices of such offshore listed companies in China, or engage domestic agents to handle various foreign exchange matters associated with their employee stock options plans. The domestic agents or the employers shall, on behalf of the domestic individuals who have the right to exercise the employee stock options, apply annually to the SAFE or its local offices for a quota for the conversion and/or payment of foreign currencies in connection with the PRC individuals' exercise of the employee stock options. The foreign exchange proceeds received by the PRC individuals from sale of shares under the stock option plans granted by the overseas listed companies must be remitted into the bank accounts in China opened by their employers or PRC agents.

On July 16, 2010, our board of directors adopted our 2010 share incentive plan which was subsequently amended on January 14, 2011. Under the amended 2010 share incentive plan, we may issue employee stock options to our qualified employees and directors on a regular basis. After this offering, we plan to advise our employees and directors participating in the 2010 share incentive plan to handle foreign exchange matters in accordance with Circular 78. However, we cannot assure you that our PRC individual beneficiary owners and the stock options holders can successfully register with the SAFE in full compliance with Circular 78. PRC individuals and PRC companies in violation of Circular 78 will be punished by the SAFE, according to the Regulation of the People's Republic of China on Foreign Exchange Administration, Detailed Rules for the Implementation of the Measures for the Administration of Individual Foreign Exchange and other regulations.

M&A Regulations and Overseas Listings

The Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or M&A rules, effective on September 8, 2006 and as amended subsequently, include provisions that purport to require an offshore "special purpose vehicle" to obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange. Under the M&A Rules, "special purpose vehicle" is defined as an offshore company directly or indirectly controlled by PRC domestic companies or individuals for the purposes of listing the equity interest in PRC companies on overseas stock exchanges.

On September 21, 2006, the CSRC published its procedures for approving overseas listings by special purpose vehicles. The approval procedures require the filing of a number of documents and would take several months. However, it remains unclear whether the M&A Rules and the requirement of the CSRC approval apply to us and this offering. Up to the date of this prospectus, the CSRC has not issued any rules or written interpretation clarifying whether offerings like ours under this prospectus are subject to this new procedure.

Regulations on Foreign Currency Exchange

Pursuant to applicable PRC regulations on foreign currency exchange, Renminbi is freely convertible only to the extent of current account items, such as trade-related receipts and payments, interest and dividends. Capital account items, such as direct equity investments, loans and repatriation of investment, require the prior approval from the SAFE or its local branch for conversion of Renminbi into a foreign currency, such as U.S. dollars.

Payments for transactions that take place within the PRC must be made in Renminbi. Domestic companies or individuals can repatriate foreign currency payments received from abroad, or deposit these payments abroad subject to the requirement that such payments shall be repatriated within a certain period of time. Foreign-invested enterprises may retain foreign exchange in accounts with designated foreign exchange banks. Foreign currencies received for current account items can be either retained or sold to financial institutions that have foreign exchange settlement or sales business without prior approval from the SAFE, subject to certain regulations. Foreign exchange income under capital account can be retained or sold to financial institutions that have foreign exchange settlement and sales business, with prior approval from the SAFE, unless otherwise provided.

In addition, another notice issued by the SAFE, or Circular 142, 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.

Regulations on Dividend Distribution

Under applicable PRC laws and regulations, foreign-invested enterprises in China may pay dividends only out of their accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, foreign-invested enterprises in China are required to allocate at least 10% of their respective accumulated profits each year, if any, to fund statutory reserve funds unless these reserves have reached 50% of the registered capital of the respective enterprises. These reserves are not distributable as cash dividends.

MANAGEMENT

Directors and Executive Officers

The following table sets forth information regarding our directors and executive officers as of the date of this prospectus.

Directors and Executive Officers	Age	Position/Title
Sheng Chen	42	Chairman of the Board of Directors, Chief Executive Officer
Yoshihisa Ueno	48	Director
Hongwei Jenny Lee	38	Director
David Ying Zhang	37	Director
Terry Wang	51	Independent Director(1)
Jun Zhang	42	Chief Operating Officer
Shang-Wen Hsiao	49	President and Chief Financial Officer
Philip Lin	43	Executive Vice President of Strategic & Business Development
Feng Xiao	39	Vice President of Hosting Services
Ningning Lai	34	Vice President of Network Services

(1) Terry Wang has accepted our appointment to be our independent director, effective upon the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part.

Mr. Sheng Chen is one of our co-founders and has served as the chairman of our board of directors and our chief executive officer since our inception. Mr. Chen has been instrumental to the development and success of our business. Mr. Chen provides vision, overall management, and strategic decision-making relating to marketing, investment planning, and corporate development. Mr. Chen has more than 20 years' experience in the Internet infrastructure industry in China and started his entrepreneur career in 1990 when he was a sophomore at Tsinghua University. In 1999, Mr. Chen founded our business and started the first carrier-neutral data center in China. In 1989, Mr. Chen founded Beijing Taixing Data Engineering Company Limited and in 1991, founded A-1 Netcom Inc., one of the pioneers in the ISP industry in China. Mr. Chen received his bachelor's degree in electrical engineering from Tsinghua University in 1991. Mr. Chen is a member of the Tsinghua Entrepreneur & Executive Club, a managing director of the Internet Society of China and a member of Beijing Youth Federation.

Mr. Yoshihisa Ueno has served as our director since October 2010. Mr. Ueno has been the general partner and founder of Synapse Partners Limited since December 2002 and SMC Synapse Partners Limited from December 2010. Mr. Ueno also serves as a director of aBitCool, Inc. from December 2006, Neudia Holding Limited from April 2006, Be4Technology Limited from August 2005, TransVirtual K.K. from August 2008. Mr. Ueno co-managed Japan-China Bridge Fund with TOA Capital Corporation as venture partner from March 2005 to February 2011. Mr Ueno served as the general partner of Intellectual Property Bank (IPB) Partners Fund #1 in Japan from March 2006 to March 2010 and IPB Holding LLC in the United States from March 2006 to July 2007, and a director of BeyondSoft Group Holding Limited from September 2005 to May 2010. Mr. Ueno also served as the chief executive officer at Cycolor, Inc., from September 1998 to June 2003. Mr. Ueno used to work for Fujitec, from April 1985 to May 1997, in various managerial capacities in Japan, China, the United Kingdom, Spain and Hong Kong, and was responsible for the overall management of those overseas operations. Mr. Ueno received his bachelor's degree in business administration from Takushoku University.

Ms. Hongwei Jenny Lee has served as our director since October 2010. Ms. Lee is currently a director of Hisoft Technology International Limited, a leading China-based provider of outsourced information technology and research and development services listed on the NASDAQ Global Market. She also currently serves as a managing director of Granite Global Ventures III L.L.C., a general partner of Granite Global Ventures III L.P. and of GGV III Entrepreneurs Fund L.P. From 2002 to 2005, she served as a vice president of JAFCO Asia. From 2001 to 2002, she worked as an investment banker with Morgan Stanley. Prior to that, Ms. Lee worked as an assistant principal engineer with Singapore Technologies Aerospace Group from 1995 to 2000. Ms. Lee received her bachelor's degree in electrical engineering and master's degree in engineering from Cornell University. Ms. Lee also has an MBA degree from Kellogg School of Management at Northwestern University.

Mr. David Ying Zhang has served as our director since October 2010. Mr. Zhang is the founding managing partner at Matrix Partners China, an early stage technology venture capital firm in China. Prior to forming Matrix Partners China, Mr. Zhang was the managing director and head of the Beijing office of WI Harper, a venture capital investment fund. Mr. Zhang joined WI Harper in late 2001 in its San Francisco office and moved to China in early 2003. Prior to joining WI Harper, Mr. Zhang worked with ABN AMRO Capital and Salomon Smith Barney successively. Mr. Zhang is currently an independent director of Focus Media Holding Limited, an out-of-home media and advertising network company listed on the NASDAQ Global Market. Mr. Zhang also serves as an independent director for China Real Estate Information Corporation, a provider of real estate information, consulting, and online services listed on the NASDAQ Global Market. Mr. Zhang received his bachelor's degree from California State University in San Francisco and his master's degree from Northwestern University.

Mr. Terry Wang will serve as our independent director immediately upon the effectiveness of the Registration Statement on Form F-1. Mr. Wang has over 20 years of extensive experience in international financial service industry and management experience in technology, manufacturing industries and capital markets. Mr. Wang has been the chief financial officer since 2008 at Trina Solar Ltd., a company listed on the New York Stock Exchange. Prior to joining Trina Solar Ltd., Mr. Wang was the executive vice president and chief financial officer of Spreadtrum Communications Co., Ltd., a company listed on the NASDAQ Global Market, from 2004 to 2007. From 2002 to 2004, Mr. Wang served as the chief financial officer of Signia Technologies, Inc. From 1998 to 2001, Mr. Wang was controller of ChipPAC Ltd., a company listed on the NASDAQ Global Market. Before that time, he worked for several years in capital market and service industries. Mr. Wang is a certified management accountant (CMA) and is certified in financial management (CFM). Mr. Wang received an MBA from University of Wisconsin and master of science degrees from Brown University and Fudan University. Mr. Wang received his bachelor's degree in science from Fudan University.

Mr. Jun Zhang is one of our co-founders and has served as our chief operating officer since June 1999. From 1996 to 1999, Mr. Zhang served as vice president of Cenpok Inc., which sold its core operating assets to A-1 Netcom China Inc. in 1999. Mr. Zhang has been instrumental to the development and success of our business. Mr. Zhang received his bachelor's degree in environmental engineering from Tsinghua University.

Mr. Shang-Wen Hsiao has served as our President and chief financial officer since October 2010. Mr. Hsiao is currently an independent director of Camelot Information Systems Inc., a leading provider of enterprise application services and financial industry IT services in China listed on the New York Stock Exchange, and has held this position since 2008. Previously, Mr. Hsiao served as the chief financial officer of Greatdreams (China), Inc. from June 2008 to June 2010. Prior to that, Mr. Hsiao served as the chief financial officer of Memsic Inc. from July 2007 to June 2008 to June 2010. Mr. Hsiao also served as the chief executive officer and chief financial officer of Centuryfone 121 Networking and Communication Co. from September 2003 to May 2007. From July 2000 to September 2003, Mr. Hsiao served as the chief financial officer of YesKey Group. From January 1994 to July 2000, Mr. Hsiao was a senior manager of business, tax and legal advisory for Arthur Andersen LLP in Philadelphia and Shanghai. Mr. Hsiao received his Juris Doctor degree from Rutgers School of Law in 1994 and his bachelor's degree in finance and accounting from Temple University in 1989. Mr. Hsiao has been a certified public accountant since 1989 and was admitted to the Pennsylvania Bar in 1994.

Mr. Philip Lin has served as our executive vice president of strategic & business development since March 2011. Mr. Lin incubated and co-founded Prime Networks in 2006 and worked there until joining us. From 2003 to 2005, Mr. Lin served as a special advisor of Purple Communications Ltd., a private Internet and telecommunication company. From 2000 to 2002, Mr. Lin served as the head of business development & network planning at Sigma Networks. From 1994 to 1999, Mr. Lin served as a director at Kluge & Company, an affiliate of Metromedia Company. Mr. Lin also worked at the strategic planning department of PepsiCo and corporate finance department of Chase Manhattan Bank from 1990 to 1994. Mr. Lin received his bachelor's degree from Cornell University and his MBA degree from Columbia University.

Mr. Feng Xiao has served as our vice president of hosting and related services since January 2009. Mr. Xiao has served in various roles since joining us in 1996 as a sales manager. From May 1998 to December 2002,

Mr. Xiao was the senior manager of the marketing department; from January 2003 to December 2005, Mr. Xiao was a director of sales; from January 2006 to December 2007, Mr. Xiao was the deputy general manager of our company; from January 2008 to December 2008, Mr. Xiao was the general manager of North China Region and vice president. Prior to joining us, Mr. Xiao was a planning manager of HeDe Group Company. Mr. Xiao received his bachelor's degree in economics from Capital University of Economics and Business in 1995, and is currently pursuing his EMBA degree at China Europe International Business School.

Mr. Ningning Lai has served as our vice president of network services since October 2007. Mr. Lai joined us as a network engineer in March 2000 and has served in many roles. From April 2001 to September 2004, Mr. Lai was the manager of the network operation department; from October 2004 to June 2005, Mr. Lai was a senior business development manager for our network business; from July 2005 to July 2006, Mr. Lai was the senior manager of technical support center and was later promoted to be the director of technical support center from August 2006 to September 2007. Prior to joining us, Mr. Lai worked for Capital Information Development Company Limited from July 1999 to February 2000. Mr. Lai received his bachelor's degree in computer science from Beijing Union University.

Board of Directors

Our board of directors is expected to consist of five directors upon the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part. Upon the completion of this offering, we will have one independent director and we plan to appoint a second independent director within 90 days of this offering and have a majority independent board within one year of this offering. We intend to evaluate the composition of our board from time to time. After this offering, we expect that our existing shareholders and management will continue to represent a majority of our board until we make further adjustment to our board composition. A director is not required to hold any shares in the company by way of qualification. Under our current and post-offering memorandum and articles of association, subject to any separate requirement for audit committee approval or compensation committee approval or unless disqualified by the chairman of the relevant board meeting, so long as a director discloses the nature of his or her interest in any contract, proposal or arrangement (including arrangement with respect to compensation to himself or herself or any other members of the board) in which he or she is materially interested, such a director may vote in respect of such contract, proposal or arrangement and may be counted in the quorum at such a meeting. A director may exercise all the powers of the company to borrow money, mortgage its undertaking, property and uncalled capital, and issue debentures or other securities whenever money is borrowed or as security for any obligation of the company or of any third party.

Committees of the Board of Directors

We will establish three committees under the board of directors immediately upon the effectiveness of our registration statement on Form F-1, of which this prospectus is a part: the audit committee, the compensation committee and the nominating and corporate governance committee. We have adopted a charter for each of the three committees. Each committee's members and functions are described below.

Audit Committee. Our audit committee will consist of Terry Wang, Hongwei Jenny Lee and Yoshihisa Ueno. Terry Wang satisfies the "independence" requirements of Rule 5605 of NASDAQ Stock Market Rules and Rule 10A-3 under the Securities Exchange Act of 1934. Our audit committee will consist of two independent directors within 90 days of this offering and solely of independent directors within one year of this offering. Terry Wang will be the chair of our audit committee. The purpose of the audit committee is to assist our board of directors with its oversight responsibilities regarding: (i) the integrity of our financial statements, (ii) our compliance with legal and regulatory requirements, (iii) the independent auditor's qualifications and independence and (iv) the performance of our internal audit function and independent auditor. The audit committee will be responsible for, among other things:

- appointing the independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by the independent auditors;

- reviewing with the independent auditors any audit problems or difficulties and management's response;
- discussing the annual audited financial statements with management and the independent auditors;
- reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures and any steps taken to monitor and control major financial risk exposures;
- reviewing and approving all proposed related party transactions;
- meeting separately and periodically with management and the independent auditors; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

Compensation Committee. Our compensation committee will consist of Sheng Chen, Hongwei Jenny Lee and Yoshihisa Ueno. Yoshihisa Ueno will be the chair of our compensation committee. The compensation committee assists the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our chief executive officer may not be present at any committee meeting during which his compensation is deliberated. The compensation committee is responsible for, among other things:

- reviewing and approving, or recommending to the board for its approval, the compensation for our chief executive officer and other executive officers;
- reviewing and recommending to the board for determination with respect to the compensation of our non-employee directors; and
- reviewing periodically and approving any incentive compensation or equity plans, programs or similar arrangements.

Nominating and Corporate Governance Committee. Our nominating and corporate governance committee will consist of David Ying Zhang, Yoshihisa Ueno and Hongwei Jenny Lee. David Ying Zhang will be the chair of our nominating and corporate governance committee. The nominating and corporate governance committee assists the board of directors in selecting individuals qualified to become our directors and in determining the composition of the board and its committees. The nominating and corporate governance committee is responsible for, among other things:

- selecting and recommending to the board nominees for election by the shareholders or appointment by the board;
- reviewing annually with the board the current composition of the board with regards to characteristics such as independence, knowledge, skills, experience and diversity;
- making recommendations on the frequency and structure of board meetings and monitoring the functioning of the committees of the board; and
- advising the board periodically with regards to significant developments in the law and practice of corporate governance as well as our compliance with applicable laws and regulations, and making recommendations to the board on all matters of corporate governance and on any remedial action to be taken.

Duties of Directors

Under Cayman Islands law, our directors have a fiduciary duty of loyalty to act honestly in good faith with a view to our best interests. Our directors also have a duty to exercise the skill they actually possess and such care and diligence 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 and articles of association. We have the right to seek damages if a duty owed by our directors is breached.

Terms of Directors and Officers

Our officers are elected by and serve at the discretion of our shareholders and the board of directors. Our directors are not subject to a term of office and hold office until such time as they are removed from office by ordinary resolution or the unanimous written resolution of all shareholders. We do not have a mandatory retirement age for directors. A director will be removed from office automatically if, among other things, the director (i) becomes bankrupt or makes any arrangement or composition with his or her creditors; or (ii) dies or is found by our company to be or becomes of unsound mind.

Employment Agreements

We have entered into employment agreements with each of our executive officers. Under these agreements, each of our senior executive officers is employed for a specified time period. We may terminate employment for cause, at any time, without advance notice or remuneration, for certain acts of the executive officer, such as conviction or plea of guilty to a felony or any crime involving moral turpitude, negligent or dishonest acts to our detriment, or misconduct or a failure to perform agreed duties. In such case, the executive officer will not be entitled to receive payment of any severance benefits or other amounts by reason of the termination, and the executive officer's right to all other benefits will terminate, except as required by any applicable law. We may also terminate an executive officer's employment without cause upon one-month advance written notice. In such case of termination by us, we are required to provide compensation to the executive officer, including severance pay, as expressly required by the applicable law of the jurisdiction where the executive officer is based. The executive officer may terminate the employment at any time with a one-month advance written notice, if there is any significant change in the executive officer's duties and responsibilities inconsistent in any material and adverse respect with his or her title and position or a material reduction in the executive officer's annual salary before the next annual salary review, or if otherwise approved by the board of directors.

Each executive officer has agreed to hold, both during and after the termination or expiry of his or her employment agreement, in strict confidence, and not to use, except as required in the performance of his or her duties in connection with the employment, any of our confidential information or trade secrets, any confidential information or trade secretes of our clients or prospective clients, or the confidential or proprietary information of any third party received by us and for which we have confidential obligations. The executive officers have also agreed to disclose in confidence to us all inventions, designs and trade secrets which they conceive, develop or reduce to practice and to assign all right, title and interest in them to us, and assist us in obtaining patents, copyrights and other legal rights for these inventions, designs and trade secrets.

In addition, each executive officer has agreed to be bound by non-competition and non-solicitation restrictions during the term of his or her employment and for one year following the last date of employment. Specifically, each executive officer has agreed not to (i) approach our clients, customers or contacts or other persons or entities introduced to the executive officer for the purpose of doing business with such persons or entities that will harm our business relationships with these persons or entities; (ii) assume employment with or provide services to any of our competitors, or engage, whether as principal, partner, licensor or otherwise, any of our competitors; or (iii) seek directly or indirectly, to solicit the services of any of our employees who is employed by us on or after the date of the executive officer's termination, or in the year preceding such termination.

Compensation of Directors and Executive Officers

For the fiscal year ended December 31, 2009, the aggregate compensation we paid to our executive officers was approximately RMB3,649,000 (US$552,878.8). We paid RMB1,419,000 (US$215,000) for pension, retirement, medical insurance or other similar benefits for our executive officers. Other than the amounts stated above, no pension, retirement or similar benefits has been set aside or accrued for our executive officers or directors. None of our non-executive directors has a service contract with us that provides for benefits upon termination of employment.

Share Incentive Plan

On July 16, 2010, we adopted our 2010 share incentive plan to attract and retain the best available personnel, provide additional incentives to employees, directors and consultants and to promote the success of our business. We subsequently amended our 2010 share incentive plan on January 14, 2011 in connection with our corporate restructuring. The plan permits the grant of options to purchase our ordinary shares, share appreciation rights, restricted shares, restricted share units, dividend equivalent rights and other instruments as deemed appropriate by the administrator under the plans. The maximum aggregate number of ordinary shares that may be issued pursuant to all awards under the amended 2010 share incentive plan is 36,585,630 shares. As of the date of this prospectus, we have granted options to purchase 25,639,510 ordinary shares under our 2010 share incentive plan.

The following table summarizes, as of the date of this prospectus, the stock options granted, or to be granted in the near future, under our amended 2010 share incentive plan to our directors and executive officers and to other individuals as a group.

Name	Options Granted	Exercise Price (US$/Share)	Date of Grant	Date of Expiration	Vesting Schedule
Sheng Chen	1,540,000	0.15	July 16, 2010	July 16, 2020	4 years from July 1, 2008
Shang-Wen Hsiao	2,949,100	0.15	July 16, 2010	July 16, 2020	4 years from June 17, 2010
Jun Zhang	4,620,000	0.15	July 16, 2010	July 16, 2020	4 years from July 1, 2008
Feng Xiao	3,080,000	0.15	July 16, 2010	July 16, 2020	4 years from July 1, 2008
Ningning Lai	3,080,000	0.15	July 16, 2010	July 16, 2020	4 years from July 1, 2008
Terry Wang	*	IPO price	April 1, 2011	April 1, 2021	3 years from the effective day of the Company's registration statement on Form F-1
Philip Lin	*	0.15	March 25, 2011	March 25, 2021	4 years from April 1, 2011
Other individuals as a group	9,117,370	0.15	July 16, 2010	July 16, 2010	(1)

* Upon exercise of all options granted, would beneficially own less than 1% of our outstanding ordinary shares.
(1) 4 years from (i) July 1, 2008 if employed prior to July 1, 2008 or (ii) the date of grant if employed after July 1, 2008.

The following paragraphs describe the principal terms of our 2010 share incentive plan.

Plan Administration. Our board, the compensation committee of the board will administer our plans. A committee of one or more members of the board designated by our board or the compensation committee is also authorized to grant or amend awards to participants other than senior executives. The committee will determine the provisions and terms and conditions of each award grant. It shall also have discretionary power to interpret the terms of our plans.

Award Agreement. Awards granted under our plans are evidenced by an award agreement that sets forth terms, conditions and limitations for each award, which may include the term of an award, the provisions applicable in the event the participant's employment or service terminates, and our authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind an award.

Eligibility. We may grant awards to our employees, consultants and all the board members. However, no shares may be optioned, granted or awarded if such action would cause an incentive share option to fail to qualify as an incentive share option under Section 422 of the Internal Revenue Code of 1986 of the United States.

Acceleration of Awards upon Change in Control. The participant's awards shall become fully exercisable and all forfeiture restrictions on such awards shall lapse, unless converted, assumed or replaced by a successor.

Exercise Price. The exercise price of an option shall be determined by the plan administrator and set forth in the award agreement and may be a fixed or variable price related to the fair market value of the shares, to the extent not prohibited by applicable laws. Subject to certain limits set forth in the plan, the exercise price may be amended or adjusted in the absolute discretion of the plan administrator, the determination of which shall be final, binding and conclusive. To the extent not prohibited by applicable laws or any exchange rule, a downward adjustment of the exercise prices of options shall be effective without the approval of the shareholders or the approval of the affected participants.

Vesting Schedule. In general, our plan administrator determines or the evidence of the award specifies, the vesting schedule.

Amendment and Termination of the Plan. With the approval of our board, our plan administrator may, at any time and from time to time, amend, modify or terminate the plan, provided, however, that no such amendment shall be made without the approval of the our shareholders to the extent such approval is required by applicable laws, or in the event that such amendment increases the number of shares available under our plan, permits our plan administrator to extend the term of our plan or the exercise period for an option beyond ten years from the date of grant, or results in a material increase in benefits or a change in eligibility requirements, unless we decides to follow home country practice.

Ordinary Shares Reserved for Employees and Non-employees

On December 31, 2010, we issued 24,826,090 ordinary shares to Sunrise, a company owned by Mr. Sheng Chen, our chief executive officer, for nominal consideration. These ordinary shares are fully vested, non-assessable and not subject to any redemption, repurchase or similar rights. Sunrise intends to transfer these shares to the employees of our continuing operations and the employees of our discontinued operations. This issuance was a one-time grant and we do not plan to make any similar grant in the near future.

PRINCIPAL SHAREHOLDERS

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as of the date of this prospectus by:

- each of our directors and executive officers; and
- each person known to us to own beneficially more than 5% of our ordinary shares.

The calculations in the table below assume there are 244,515,330 ordinary shares outstanding as of the date of this prospectus, including 148,162,920 ordinary shares that 148,162,920 preferred shares will automatically convert into upon completion of this offering, and 96,352,410 ordinary shares outstanding immediately after the closing of this offering, assuming the underwriters do not exercise their over-allotment option.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. 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 of this prospectus, including through the exercise of any option, warrant 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.

	Ordinary Shares Beneficially Owned Prior to This Offering		Ordinary Shares Beneficially Owned After This Offering		
	Number	%(1)	Number	%	% of Voting Power(2)
Directors and Executive Officers:					
Sheng Chen(3)	69,299,007	28.2%	69,299,010		
Yoshihisa Ueno(4)	18,004,200	7.4%	18,004,200		
Hongwei Jenny Lee(5)	26,796,050	11.0%	26,796,050		
David Ying Zhang(6)	25,560,350	10.5%	25,560,350		
Terry Wang	*	*	*		
Shang-Wen Hsiao	*	*	*		
Jun Zhang(7)	3,368,750	1.4%	3,368,750		
Feng Xiao	*	*	*		
Ningning Lai	*	*	*		
Philip Lin	*	*	*		
All Directors and Executive Officers as a group	148,251,818	58.3%	148,282,540		
Principal Shareholders:					
Fast Horse Technology Limited(8)	25,500,000	10.4%	25,500,000		
Sunrise Corporate Holding Ltd.(9)	24,826,090	10.2%	24,826,090		
Purple Communications Limited(10)	17,850,000	7.3%	17,850,000		
U-Media Holdings Inc.(11)	17,063,160	7.0%	17,063,160		
GGV Funds(12)	26,796,050	11.0%	26,796,050		
Matrix Partner China Funds(13)	19,994,350	8.2%	19,994,350		
SMC Synapse Partners Limited(14)	18,004,200	7.4%	18,004,200		
Meritech Capital Funds(15)	16,980,790	7.0%	16,980,790		
Smartpay Company Limited(16)	13,238,690	5.4%	13,238,690		
Cisco Systems International, B.V.(17)	5,313,820	2.2%	5,313,820		

* Less than 1%.

(1) For each person and group included in this column, percentage ownership is calculated by dividing the number of shares beneficially owned by such person or group by the sum of the total number of ordinary shares outstanding and the number of shares such person or group has the right to acquire upon exercise of the stock options or warrants within 60 days after the date of this prospectus.

(2) Percentage of total voting power represents voting power with respect to all of our Class A and Class B ordinary shares, as a single class. Each holder of our Class B ordinary shares is entitled to ten votes per Class B ordinary share and each holder of Class A ordinary shares is entitled to one vote per Class A ordinary share held by our shareholders on all matters submitted to them for a vote. Our Class A ordinary shares and Class B ordinary shares vote together as a single class on all matters submitted to a vote of our shareholders, except as may otherwise be required by law. Our Class B ordinary shares are convertible at any time by the holder into Class A ordinary shares on a 1:1 basis.

(3) Consists of (i) 1,122,917 ordinary shares that Mr. Chen has the right to acquire pursuant to his options within 60 days of this prospectus, (ii) 25,500,000 ordinary shares owned by Fast Horse Technology Limited, a British Virgin Islands company which is controlled by Mr. Chen; (iii) 17,850,000 ordinary shares owned by Purple Communications Limited, where Mr. Chen serves as a director of the board and (iv) 24,826,090 ordinary shares owned by Sunrise Corporate Holding Ltd., a British Virgin Islands company, which is owned by Mr. Chen. Mr. Chen has the sole voting and investment power over all of the shares held by Fast Horse Technology Limited and Sunrise. The business address for Mr. Chen is M5, 1 Jiuxianqiao East Road, Chaoyang District, Beijing, China, 100016.

(4) Consists of 18,004,200 ordinary shares issuable upon conversion of (i) 9,444,450 Series A1 preferred shares, (ii) 5,052,630 Series B1 preferred shares, and (iii) 3,507,120 Series C1 preferred shares held by SMC Synapse Partners Limited. Mr. Ueno is a director of our company appointed by SMC Synapse Partners Limited. The business address for Mr. Ueno is 23F Chinachem Johnston Plaza, 178-186 Johnston Road, Hong Kong.

(5) Consists of (i) 15,909,710 ordinary shares issuable upon the conversion of 15,909,710 Series B2 preferred shares held by Granite Global Ventures III L.P., (ii) 258,700 ordinary shares issuable upon the conversion of 258,700 Series B2 preferred shares held by GGV III Entrepreneurs Fund L.P., (iii) 10,457,600 ordinary shares issuable upon conversion of 10,457,600 Series C1 preferred shares held by Granite Global Ventures III L.P., and (iv) 170,040 ordinary shares issuable upon conversion of 170,040 Series C1 preferred shares held by GGV III Entrepreneurs Fund L.P. Ms. Lee is a director of our company appointed by Granite Global Ventures III L.P. and GGV III Entrepreneurs Fund L.P. The business address for Ms. Lee is 2494 Sand Hill Road, Suite 100, Menlo Park, CA 94025, United States.

(6) Consists of (i) 13,232,490 ordinary shares issuable upon conversion of 13,232,490 Series B2 preferred shares held by Meritech Capital Partners III L.P., (ii) 241,180 ordinary shares issuable upon conversion of 241,180 Series B2 preferred shares held by Meritech Capital Affiliates III L.P., (iii) 3,444,340 ordinary shares issuable upon conversion of 3,444,340 Series C1 preferred shares held by Meritech Capital Partners III L.P., and (iv) 62,780 ordinary shares issuable upon conversion of 62,780 Series C1 preferred shares held by Meritech Capital Affiliates III L.P. Meritech Management Associates III L.L.C. is the managing member of Meritech Capital Associates III L.L.C., the general partner of both Meritech Capital Partners III L.P. and Meritech Capital Affiliates III L.P., and has the sole voting and investment power over all shares held by Meritech Capital Partners III L.P. and Meritech Capital Affiliates III L.P. George H. Bischof, Michael B. Gordon, Paul S. Madera and Robert D. Ward are the managing members of Meritech Management Associates III L.L.C. The business address for Meritech Capital Partners III L.P. and Meritech Capital Affiliates III L.P. is 245 Lytton Avenue, Suite 350, Palo Alto, California, 94301, United States of America.

(7) Consists of 3,368,750 ordinary shares that Mr. Zhang has the right to acquire pursuant to his options within 60 days of this prospectus. The business address for Mr. Zhang is M5, 1 Jiuxianqiao East Road, Chaoyang District, Beijing, China, 100016.

(8) Consists of 25,500,000 ordinary shares. Fast Horse Technology Limited is 100% owned by Sheng Chen. Mr. Chen has sole voting and investment power over the shares held by Fast Horse Technology Limited. The business address for Fast Horse Technology Limited is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.

(9) Consists of 24,826,090 ordinary shares. Sunrise Corporate Holding Ltd. is 100% owned by Sheng Chen. Mr. Chen may be deemed to be having sole voting and investment power over the shares held by Sunrise Corporate Holding Ltd. The business address for Sunrise Corporate Holding Ltd. is Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands.

(10) Consists of 17,850,000 ordinary shares. Sheng Chen, Sherman Tuan and John Milburn are members of the board of directors of Purple Communications Limited and are deemed to have shared voting and investment power over the shares held by Purple Communications Limited. Mr. Chen owns more than 10% of the shares of Purple Communications Limited through Beacon Capital Group Inc. The business address for Purple Communications Limited is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

(11) Consists of 17,063,160 ordinary shares. Ling Wang and Zhiwei Zhao are members of the board of directors of U-Media Holdings, Inc. and are deemed to have shared voting and investment power over these shares. The business address for U-Media Holdings Inc. is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.

(12) Consists of (i) 15,909,710 ordinary shares issuable upon the conversion of 15,909,710 Series B2 preferred shares and (ii) 10,457,600 ordinary shares issuable upon the conversion of 10,457,600 Series C1 preferred shares held by Granite Global Ventures III L.P. as well as (iii) 258,700 ordinary shares issuable upon conversion of 258,700 Series B2 preferred shares and (iv) 170,040 ordinary shares issuable upon conversion of 170,040 Series C1 preferred shares held by GGV III Entrepreneurs Fund L.P. We refer to these funds collectively as GGV Funds . Granite Global Ventures L.L.C. is the sole general partner of GGV Funds. Scott Bonham, Hany Nada, Glenn Soloman, Thomas Ng, Jixun Foo, Hongwei Jenny Lee, Jessie Jin and Fumin Zhuo are managing directors of Granite Global Ventures L.L.C. and share the voting and investment power over such shares held by GGV Funds. The business address of GGV Funds is 2494 Sand Hill Road, Suite 100, Menlo Park, CA 94025, United States.

(13) Consists of (i) 14,680,910 ordinary shares issuable upon conversion of 14,680,910 Series B2 preferred shares and (ii) 3,473,960 ordinary shares issuable upon the conversion of 3,473,960 Series C1 preferred shares held by Matrix Partners China I, L.P. as well as (iii) 1,487,490 ordinary shares issuable upon conversion of 1,487,490 Series B2 preferred shares and (iv) 351,990 ordinary shares issuable upon conversion of 351,990 Series C1 preferred shares held by Matrix Partners China I-A, L.P. We refer to these funds collectively as Matrix Partner China Funds. Matrix Partners China Funds are managed by Matrix China I GP Ltd. Timothy A. Barrows, David Ying Zhang, David Su and Yibo Shao are directors of Matrix China I GP Ltd. and are deemed to have shared voting and

investment power over the shares held by Matrix Partners China Funds. The business address for Matrix Partners China Funds is PO Box 309, Ugland House, Grand Cayman, KY1-104, Cayman Islands.

(14) Consists of 18,004,200 ordinary shares issuable upon conversion of (i) 9,444,450 Series A1 preferred shares, (ii) 5,052,630 Series B1 preferred shares, and (iii) 3,507,120 Series C1 preferred share. SMC Synapse Partners Limited is controlled by Yoshihisa Ueno, who share the voting and investment power over such shares held by SMC Synapse Partners Limited. The business address for SMC Synapse Partners Limited is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.

(15) Consists of (i) 13,232,490 ordinary shares issuable upon conversion of 13,232,490 Series B2 preferred shares and (ii) 3,444,340 ordinary shares issuable upon the conversion of 3,444,340 Series C1 preferred shares held by Meritech Capital Partners III LP as well as (iii) 241,180 ordinary shares issuable upon conversion of 241,180 Series B2 preferred shares and (iv) 62,780 ordinary shares issuable upon conversion of 62,780 Series C1 preferred shares held by Meritech Capital Affiliates III LP. We refer to these funds collectively as Meritech Capital Funds. Capital Associates III L.L.C. is the general partner of Meritech Capital Funds and has the sole voting and investment power over all shares held by Meritech Capital Funds. Paul S. Madera, Michael B Gordon, Robert D. Ward and George H. Bischof are the managing members of the Meritech Capital Associates III L.L.C. The business address for Meritech Capital Funds is 245 Lytton Ave., Suite 350, Palo Alto, CA 94301, United States of America.

(16) Consists of (i) 11,113,160 ordinary shares and (ii) 2,125,530 ordinary shares issuable upon conversion of 2,125,530 Series C1 preferred shares. Smartpay Company Limited is ultimately controlled by Xiaojun Li, who owns more than 70% of Smartpay Company Limited. The business address for Smartpay Company Limited is Omar Hodge Building, Wickhams Cay I, P.O. Box 362, Road Town, Tortola, British Virgin Islands.

(17) Consists of 5,313,820 ordinary shares issuable upon conversion of 5,313,820 Series C1 preferred shares. Cisco Systems International B.V. is a Netherlands private limited liability company and an indirect wholly-owned subsidiary of Cisco Systems, Inc., a Nasdaq listed company. The business address for Cisco Systems International, B.V. is Haarlerbergweg 13-19, Amsterdam, Noord-Holland 1101 CH, Netherlands.

As of the date of this prospectus, a total of 53,986,570 preferred shares are held by seven record holders in the United States, representing approximately 22.6% of our total outstanding shares. Immediately prior to the completion of this offering, our ordinary shares will be divided into Class A ordinary shares and Class B ordinary shares. Holders of Class A ordinary shares are entitled to one vote per share, while holders of Class B ordinary shares are entitled to ten votes per share. We will issue Class A ordinary shares represented by our ADSs in this offering. Immediately prior to the completion of this offering, all then outstanding ordinary shares and preferred shares will be automatically re-designated as Class B ordinary shares. See “Description of Share Capital-Ordinary Shares” for more detailed description of our Class A ordinary shares and Class B ordinary shares. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

RELATED PARTY TRANSACTIONS

Transactions with Certain Directors, Shareholders, Affiliates and Key Management Personnel

Transactions with Affiliates

On April 30, 2009, we disposed of Shanghai Guotong Network Co., Ltd., or Shanghai Guotong, to Sheng Chen and Jun Zhang as part of a reorganization for cash consideration of RMB48.3 million from Sheng Chen and RMB20.7 million from Jun Zhang.

Since April 1, 2010, we have been providing services (primarily hosting and related services) to our affiliates, including Shanghai Guotong, Guangzhou Juliang Internet Information Technology Co., Ltd, or Guangzhou Juliang, Beijing Wanwei Huoju Network Technology Co., Ltd., 21Vianet Beijing Intelligence Energy System Technology Co., Ltd., Foshan 21Vianet Intelligent Technology Co., Ltd., Beijing Huoju Lianhe Network Service Co., Ltd., CloudEx Beijing Science & Technology Co., Ltd. and Beijing CloudEx Software Service Co., Ltd. We received service fees from these affiliates in the amount of RMB11.3 million (US$1.7 million), RMB1.2 million (US$178,000), RMB1.0 million (US$152,000), RMB5,000 (US$757.6), RMB4,000 (US$606.1), RMB896,000 (US$136,000), RMB541,000 (US$82,000) and RMB2,000 (US$303), respectively, for the year ended in December 31, 2010.

Since April 1, 2010, we have been leasing optical fibers and bandwidth from Shanghai Guotong and Ningbo 21Vianet Information Technology Co., Ltd. The total leasing costs we paid to these affiliates were RMB2.9 million (US$440,000) and RMB149,000 (US$23,000), respectively, for the year ended December 31, 2010. In 2008, 21Vianet Engineering Technology Services Co., Ltd., or VEE, provided data center maintenance service to us. Total service expense we paid to VEE was RMB1.2 million for the year ended December 31, 2008.

Since 2009, we have been leasing office space to VEE. Rent income for the year ended December 31, 2009 and December 31, 2010 amounted to RMB335,000 (US$50,000) and RMB51,000 (US$8,000), respectively. We also have been leasing office space to Beijing Wanwei Huoju Network Technology Co., Ltd. since 2010. Rent income for the year ended December 31, 2010 amounted to RMB60,000 (US$9,000). Since 2009, we have been providing service to VEE, for which we have received fees amounting to RMB40,000 (US$6,000) and RMB1.1 million (US$161,000) for the year ended December 31, 2009 and 2010, respectively.

Since 2009, we have leased network equipment and received other technology services from 21Vianet Xi'an Technology Limited., or Xi'an Technology, an affiliated of our principal shareholders. Payments for the year ended December 31, 2009 and December 31, 2010 amounted to RMB4.0 million and RMB13.2 million (US$2.0 million), respectively.

In 2010, we have purchased certain computer and network equipment from Xi'an Technology, in the amount of RMB27.6 million (US$4.2 million).

In 2010, we have disposed of certain property and equipment to Beijing Wanwei Huoju Technology Co., Ltd., Beijing CloudEx Software Service Co., Ltd. and CloudEx Beijing Science & Technology Co., Ltd. The net book value of property and equipment we disposed to these affiliates for the year ended December 31, 2010 amounted to RMB4.5 million (US$0.7 million), RMB1.5 million (US$0.2 million) and RMB4.4 million (US$0.7 million), respectively.

In 2010, we have disposed of certain intangible assets to Beijing CloudEx Software Service Co., Ltd., CloudEx Beijing Science & Technology Co., Ltd. and Qingdao 21Vianet Information Technology Co., Ltd. The net book value of the intangible assets we disposed to these affiliates for the year ended December 31, 2010 amounted to RMB466,000 (US$71,000), RMB428,000 (US$65,000) and RMB23,000 (US$3,000), respectively.

Transactions with Our Shareholders

On October 31, 2010, aBitCool waived a balance due from us in an amount of RMB115.3 million (US$17.2 million) in connection with our restructuring in preparation of this offering. On December 31, 2010, aBitCool waived a balance due from us in an amount of RMB803,000 (US$121,000). The waiver was recorded as a deemed contribution from a shareholder as part of additional paid-in capital.

On June 4, 2008, our then shareholder aBitCool repurchased 1,585,138 shares from two of its ordinary shareholders at a purchase price of US$5.05 per ordinary share for a total consideration of US$8.0 million. We determined the fair value of the ordinary shares aBitCool to be US$4.65, with the assistance from an independent third party valuation firm. The excess of total consideration over the fair value of these ordinary shares amounted to RMB4,482,000 and was recorded as compensation expense, as a pushdown of such expenses as incurred by aBitCool, for services provided by the two ordinary shareholders.

On December 1, 2004, we borrowed HK$3.5 million and US$1.0 million under two loans from Purple Communications Limited. Purple Communications Limited is a holder of our shares. The total repayment of principals and interest was RMB6.1 million for the year ended December 31, 2008.

Contractual Arrangements with Our PRC VIE and its Shareholders

See “Our Corporate History and Structure—Contractual Arrangements with Our Consolidated VIE.”

Private Placement

See “Description of Share Capital—History of Securities Issuances.”

Shareholders’ Agreement

See “Description of Share Capital—Shareholders’ Agreement and Registration Rights.”

Employment Agreements

See “Management—Employment Agreements.”

Share Incentive Plan

See “Management—Share Incentive Plans.”

DESCRIPTION OF SHARE CAPITAL

We are a Cayman Islands company and our affairs are governed by our memorandum and articles of association, as amended from time to time, and the Companies Law (as amended) of the Cayman Islands, which is referred to as the Companies Law below.

As of the date of this prospectus, our authorized share capital is US$7,700, consisting of 621,837,070 ordinary shares, with a par value of US$0.00001 each, and 148,162,930 preferred shares, with a par value of US$0.00001 each of which 30,411,130 are designated as Series A1 preferred shares, 5,944,580 are designated as Series A2 preferred shares, 5,052,630 are designated as Series A3 preferred shares, 10,947,370 are designated as Series B1 preferred shares, 58,610,470 are designated as Series B2 preferred shares and 37,196,750 are designated as Series C1 preferred shares. As of the date of this prospectus, there are 96,352,410 ordinary shares issued and outstanding, and 30,411,130 Series A1, 5,944,580 Series A2, 5,052,630 Series A3, 10,947,370 Series B1 and 58,610,460 Series B2 convertible preferred shares issued and outstanding, 37,196,750 Series C1 preferred shares issued and outstanding. After the completion of this offering, our ordinary shares will consist of Class A ordinary shares and Class B ordinary shares.

We have conditionally adopted an amended and restated memorandum and articles of association, which will replace the current memorandum and articles of association in its entirety and become effective immediately prior to the completion of this offering. Our authorized share capital will be US$7,700, consisting of (i) 470,000,000 class A ordinary shares and (ii) 300,000,000 class B ordinary shares, with a par value of US$0.00001 each. The following are summaries of material provisions of our proposed memorandum and articles of association and the Companies Law insofar as they relate to the material terms of our ordinary shares that we expect will become effective upon completion of this offering.

Corporate Objects

The objects for which our company is established are unrestricted, as set forth in our post-offering memorandum of association.

Ordinary Shares

General. Immediately prior to the completion of this offering, our ordinary shares will be divided into Class A ordinary shares and Class B ordinary shares. Holders of Class A ordinary shares and Class B ordinary shares have the same rights except for voting and conversion rights. Certificates representing the ordinary shares are issued in registered form. Our shareholders who are nonresidents of the Cayman Islands may freely hold and vote their shares.

Register of Members. Under Cayman Islands law, we must keep a register of members and there shall be entered therein:

(a) the names and addresses of the members, a statement of the shares held by each member, and of the amount paid or agreed to be considered as paid, on the shares of each member;

(b) the date on which the name of any person was entered on the register as a member; and

(c) the date on which any person ceased to be a member.

Under Cayman Islands law, the register of members of our company is prima facie evidence of the matters set out therein (i.e. the register of members will raise a presumption of fact on the matters referred to above unless rebutted) and a member registered in the register of members shall be deemed as a matter of Cayman Islands law to have legal title to the shares as set against its name in the register of members. Upon the closing of this public offering, the register of members shall be immediately updated to reflect the issue of shares by us to as the depositary. Once our register of members has been updated, the shareholders recorded in the register of members shall be deemed to have legal title to the shares set against their name.

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 Law.

Conversion. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof. Class A ordinary shares are not convertible into Class B ordinary shares or preferred shares under any circumstances. Upon transfer of Class B ordinary shares by a holder thereof to any person or entity which is not an affiliate of such holder, such Class B ordinary shares shall be automatically and immediately converted into an equal number of Class A ordinary shares.

Voting Rights. In respect of matters requiring shareholders' votes, each Class A ordinary share is entitled to one vote and each Class B ordinary share is entitled to ten votes. Voting at any shareholders' meeting is by show of hands unless a poll is demanded. A poll may be demanded by at least three shareholders entitled to vote at the meeting, or one or more shareholders holding at least 10% of the paid-up voting share capital or 10% of the total voting rights entitled to vote at the meeting, present in person or by proxy.

A quorum required for a meeting of shareholders consists of at least one shareholder present in person or by proxy or, if a corporation or other non-natural person, by its duly authorized representative, who holds no less than one-third of our voting share capital. Shareholders' meetings may be held annually and may be convened by our board of directors on its own initiative or upon a request to the directors by shareholders holding in aggregate at least one-third of our voting share capital. Advance notice of at least 14 days is required for the convening of our annual general meeting and other shareholders' meetings.

An ordinary resolution to be passed by the shareholders requires a simple majority of votes attaching to the ordinary shares cast in a general meeting, while a special resolution requires no less than two-thirds of the votes attaching to the ordinary shares cast in a general meeting. A special resolution is required for important matters such as a change of name. Our shareholders may effect certain changes by ordinary resolution, including increase the amount of our authorized share capital, consolidating and dividing all or any of our share capital into shares of larger amount than our existing shares, and the cancellation of any shares.

Transfer of Shares. Subject to the restrictions of our memorandum and 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.

Our board of directors may, in its sole discretion, decline to register any transfer of any ordinary share which is not fully paid up or on which we have a lien. Our directors may also decline to register any transfer of any share unless (a) the instrument of transfer is lodged with us, accompanied by the certificate for the 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; (b) the instrument of transfer is in respect of only one class of shares; (c) the instrument of transfer is properly stamped, if required; (d) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four; (e) the shares transferred are free of any lien in favor of us; or (f) a nominal processing fee may determine to be payable by our director has been paid to us in respect thereof.

If our directors refuse to register a transfer, they shall, within two 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. The registration of transfers may, on 14 days' notice being given by advertisement in one or more newspapers or by electronic means, be suspended and the register closed at such times and for such periods as our board of directors may from time to time determine; provided, however, that the registration of transfers shall not be suspended nor the register closed for more than 30 days in any year.

Liquidation. On a return of capital on winding up or otherwise (other than for conversion, redemption or purchase of 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 Shares and Forfeiture of Shares. Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their shares in a notice served to such shareholders at least 14 days prior to the specified time of payment. The shares that have been called upon and remain unpaid on the specified time are subject to forfeiture.

Redemption of Shares. Subject to the provisions of the Companies 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 as may be determined by our board of directors.

Variations of Rights of Shares. All or any of the special rights attached to any class of shares may, subject to the provisions of the Companies Law, be varied either with the written consent of the holders of a majority of the issued shares of that class or with the sanction of a special resolution passed at a general meeting of the holders of the shares of that class. The rights conferred upon the holders of the shares of any class 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 in priority to or pari passu with such previously existing shares.

Inspection of Books and Records. Holders of our ordinary shares will have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records.

However, we will provide our shareholders with annual audited financial statements. See “Where You Can Find Additional Information.”

Anti-Takeover Provisions. Some provisions of our post-offering memorandum and articles of association may discourage, delay or prevent a change of 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; and
- limit the ability of shareholders to requisition and convene general meetings of 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 for a proper purpose and for what they believe in good faith to be in the best interests of our company.

History of Securities Issuances

The following is a summary of our securities issuances since the inception of aBitCool:

Ordinary Shares

In March 2005, aBitCool Inc. was established by Mapcal Limited and 1 ordinary share was issued to Mapcal Limited.

In June 2005, Mapcal Limited transferred its 1 ordinary share to Purple Communications Limited or Purple.

In December 2006, aBitCool Inc. issued 2,099,999 ordinary shares to Purple, 2,800,000 ordinary shares to U-Media Holdings Inc., or U-Media, 2,100,000 ordinary shares to Smartpay Company Limited, or Smartpay, and 3,000,000 ordinary shares to Fast Horse Technology Limited, or Fast Horse.

In June 2008, aBitCool entered into a share repurchase agreement with U-Media and Smartpay pursuant to which aBitCool repurchased 792,569 ordinary shares from U-Media and Smartpay, respectively, totaling 1,585,138 ordinary shares. As a result, the numbers of ordinary shares owned by U-Media and Smartpay are 2,007,431 and 1,307,431, respectively.

In December 2010, we issued 24,826,090 ordinary shares to Sunrise for nominal consideration. These ordinary shares are fully vested, non-assessable and not subject to any redemption, repurchase or similar rights. Sunrise will transfer these shares to employees of continuing operations and discontinued operations.

Preferred Shares

In December 2006, aBitCool issued and sold a total of 1,555,557 preferred shares to TOA Capital Corporation and CBC IDC Limited for an aggregate consideration of US$7,000,007.

In January 2007, aBitCool issued and sold a total of 444,445 preferred shares to Asuka DBJ Partners Company Limited and ADS Global Partners Ltd. for an aggregate consideration of US$2,000,003.

Also in February 2007, aBitCool issued and sold a total of 1,577,778 preferred shares to Riselink Venture Capital Corp., Parawin Venture Capital Corp., Sinolinks Venture Capital Corp., Hua VII Venture Capital Corporation, Vincera Growth Capital I Limited, China Resources Development Company Limited and IP CATHAY ONE, L.P. for an aggregate consideration of US$7,100,001.

In July 2007, the preferred shares were re-designated to Series A1 preferred shares; and Series A2 preferred shares were created by aBitCool Inc.

In September 2007, aBitCool issued and sold a total of 902,779 Series B preferred shares to TOA Capital Corporation, IP CATHAY ONE, L.P. and ADS Global Partners Ltd. for an aggregate consideration of US$6,500,009.

In October 2007, aBitCool issued and sold a total of 595,125 Series A2 preferred shares and 416,667 Series A3 preferred shares to Stockstar.com Inc.

In February 2008, the Series B preferred shares were re-designated to Series B1 preferred shares. aBitCool issued and sold a total of 104,237 Series A2 preferred shares and 177,760 Series A3 preferred shares to Stockstar.com Inc.; 385,146 Series B1 preferred shares were add to TOA Capital Corporation, IP CATHAY ONE L.P. and ADS Global Partners; 2,853,248 Series B2 preferred shares were issued and sold to Granite Global Ventures III L.P., GGV III Entrepreneurs Fund L.P., Trinity Ventures IX, L.P., Trinity IX Side-By-Side Fund, L.P. and Trinity IX Entrepreneurs Fund, L.P. The aggregate consideration was US$18,000,000.

In April 2008, aBitCool issued and sold a total of 3,091,018 Series B2 preferred shares to Matrix Partners China I, L.P., Meritech Capital Partners III L.P., Meritech Capital Affiliates III L.P. and WI Harper INC Fund VI Ltd. for an aggregate consideration of US$19,499,996.

In June 2008, aBitCool repurchased a total of 1,585,138 ordinary shares from U-Media and Smartpay for a total consideration of US$8,000,001. aBitCool also issued and sold a total of 951,083 Series B2 preferred shares to Matrix Partners China I, L.P., Meritech Capital Partners III L.P. and Meritech Capital Affiliates III L.P. for a total consideration of US$6,000,002.

In September 2008, Matrix Partners China I, L.P. transferred 174,999 Series B2 preferred shares to Matrix Partners China I-A, L.P.

In April 2009, Stockstar.com Inc. transferred 699,362 Series A2 preferred shares and 594,427 Series A3 preferred shares to Jessy Assets Limited.

In January 2010, ADS Global Partners Ltd. transferred 66,667 Series A1 preferred shares and 59,443 Series B1 preferred shares to Asuka DBJ Partners Company Limited, and transferred 44,444 Series A1 preferred shares and 39,628 Series B1 preferred shares to So-net Entertainment Corporation.

In October 2010, aBitCool surrendered all the 255,000,000 ordinary shares of 21Vianet Group it held to 21Vianet Group for repurchase at par value and cancellation. Simultaneously, 21Vianet Group issued ordinary shares and preferred shares to the same shareholders of aBitCool of the same class and series as their respective shareholdings in aBitCool, with one aBitCool share entitling the holder thereof 0.85 share of 21Vianet Group.

In January 2011, 21Vianet Group, Inc. issued and sold a total of 31,882,930 Series C1 preferred shares to Granite Global Ventures III L.P., GGV III Entrepreneurs Fund L.P., Matrix Partners China I, L.P., Matrix Partners China I-A L.P., SMC Synapse Partners Limited, Meritech Capital Partners III L.P., Meritech Capital Affiliates III L.P., IP Cathay II, L.P., CBC IDC limited, Trinity Ventures IX, L.P., Trinity IX Side-By-Side Fund, L.P., Trinity IX Entrepreneurs' Fund, L.P., Smartpay Company Limited, WI Harper INC Fund VI Ltd. for an aggregate consideration of US$30,000,020.

In February 2011, we issued and sold a total of 5,313,820 Series C1 preferred shares to Cisco Systems International, B.V., or Cisco, for an aggregate consideration of US$5,000,000.

On March 31, 2011, we effected a 10-for-1 share split and redesignated 470,000,000 shares as Class A ordinary shares and 300,000,000 shares as Class B ordinary shares.

All preferred shares are convertible into ordinary shares at any time and will be automatically converted into our ordinary shares upon completion of this offering.

Shareholders' Agreement

In connection with the issuance and sale of our Series C preferred shares in January 2011 and February 2011, we and our shareholders entered into an amended and restated shareholders' agreement and its amendment No. 1, which amended and restated the shareholders agreements we previously entered into with the investors of our Series A1, Series A2, Series A3, Series B1 and Series B2 preferred shares. Pursuant to this amended and restated shareholders' agreement and its amendment No. 1, our board of directors will consist of seven directors, including Mr. Sheng Chen, our chief executive officer, and three respectively nominated by SMC Synapse Partners Limited, Matrix Partners China I, L.P. and its affiliates and Granite Global Ventures III L.P. and its affiliates.

Under this shareholders' agreement and its amendment No. 1, all of our preferred shareholders were granted certain rights, including rights of refusal, rights of co-sale, drag-along rights and the rights of first offer. All of the rights of our preferred shareholders under the shareholders' agreement will terminate upon the completion of this offering.

Options

We have granted options to certain of our directors, officers, employees and consultants. As of the date of this prospectus, options to purchase an aggregate of 25,639,510 ordinary shares of our company were outstanding. See "Management—Share Incentive Plan."

Differences in Corporate Law

The Companies Law is modeled after that of English companies legislation and does not follow recent English statutory enactments. In addition, the Companies Law differs from laws applicable to United States companies and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Law applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and Similar Arrangements. The Companies Law permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) a

"consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies in the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by either (a) a special resolution of the shareholders of each constituent company voting together as one class if the shares to be issued to each shareholder in the consolidated or surviving company will have the same rights and economic value as the shares held in the relevant constituent company, or (b) a shareholder resolution of each constituent company passed by a majority in number representing 75% in value of the shareholders voting together as one class. The written plan of merger must be filed with the Registrar of Companies together with a declaration as to the solvency of the surviving or consolidated company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

In addition, there are statutory provisions that facilitate the reconstruction and amalgamation of companies, provided that the arrangement is approved by a majority in number of each class of shareholders and creditors with whom the arrangement is to be made, and who must in addition represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. 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 a majority vote have been met;
- the shareholders have been fairly represented at the meeting in question;
- the arrangement is such that a businessman would reasonably approve; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Law.

When a takeover offer is made and accepted by holders of 90.0% of the shares affected within four months, the offeror may, within a two-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 unless there is evidence of fraud, bad faith or collusion.

If the arrangement and reconstruction is thus approved, the dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of United States corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders' Suits. In principle, we will normally be the proper plaintiff and a derivative action may not be brought by a minority shareholder. However, based on English authorities, which would in all likelihood be the persuasive authority in the Cayman Islands, the Cayman Islands courts can be expected to apply and follow the common law principles (namely the rule in Foss v. Harbottle and the exceptions thereto) which permit a minority shareholder to commence a class action against, or derivative actions in the name of, a company to challenge:

- an act which is illegal or ultra vires;
- an action which requires a resolution with a qualified or special majority which has not been obtained; and
- an act which constitutes a fraud on the minority where the wrongdoers are themselves in control of the company.

Transactions with Directors. Under the Delaware General Corporation Law, or the DGCL, transactions with directors must be approved by disinterested directors or by the shareholders, or otherwise proven to be fair to the company as of the time the transaction is approved. Such transaction will be void or voidable, unless (i) the material facts of any interested directors' interests are disclosed or are known to the board of directors and the transaction is approved by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; (ii) the material facts of any interested directors' interests are disclosed or are known to the shareholders entitled to vote thereon, and the transaction is specifically approved in good faith by vote of the shareholders; or (iii) the transaction is fair to the company as of the time it is approved.

Cayman Islands laws do not restrict transactions with directors, requiring only that directors exercise a duty of care and owe a fiduciary duty to the companies for which they serve. Under post-offering articles of association, subject to any separate requirement for audit committee approval under rule or unless disqualified by the chairman of the relevant board meeting, so long as a director discloses the nature of his or her interest in any contract, proposal or arrangement in which he or she is materially interested, such a director may vote in respect of such contract, proposal or arrangement and may be counted in the quorum at such a meeting.

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 generally 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 all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director act in a manner he reasonably believes to be in the best interests of the corporation. He must not use his 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 takes precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, but subject to certain exceptions, 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.

Under 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 or she 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 out of his or her position as director (unless the company permits him or her to do so); and a duty not to put himself or herself in a position where the interests of the company conflict with his or her personal interests 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, there are indications that the English and Commonwealth courts are moving towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands.

Under our post-offering articles of association, any director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with our company shall declare the nature of his or her interest at a meeting of the board of directors. Following such declaration, a director may vote in respect of any contract or proposed contract notwithstanding his or her interest.

Majority Independent Board. A domestic U.S. company listed on must comply with the requirement that a majority of the board of directors must consist of independent directors as defined in corporate governance rules. As a Cayman Islands company, we are allowed to follow home country practices in lieu of certain corporate governance requirements under the rules where there is no similar requirement under the laws of the Cayman Islands. However, we have no present intention to rely on home country practice with respect to our corporate governance matters, and we intend to comply with the rules after the completion of this offering and in accordance with the phase-in schedules set forth in . Accordingly, we will comply with the majority independent board requirement within twelve months from the listing date of our ADSs on .

Shareholder Action by Written Consent. Under the DGCL, a corporation may eliminate the right of shareholders to act by written consent by inclusion of such a restriction in its certificate of incorporation. The Companies law and our post-offering articles of association provide that shareholders may 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. The DGCL does not provide shareholders an express right to put any proposal before the annual meeting of shareholders, but in keeping with common law, Delaware corporations generally afford shareholders an opportunity to make proposals and nominations provided that they comply with the notice provisions in the certificate of incorporation or bylaws. A special meeting may be called by the board of directors or any other person authorized to do so in the certificate of incorporation or bylaws, but shareholders may be precluded from calling special meetings.

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 allow our shareholders holding not less than one-third of our voting share capital to requisition a special meeting of the shareholders, in which case the 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 do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders.

As a Cayman Islands exempted company, we are not obliged by the Companies Law to call shareholders' annual general meetings. Our Memorandum and Articles provide that we may (but are not obliged to) in each year hold a general meeting as our annual general meeting in which case we shall specify the meeting as such in the notices calling it, and the annual general meeting shall be held at such time and place as may be determined by our directors. We, however, will hold an annual shareholders' meeting during each fiscal year, as required by the rules of the NASDAQ Global Market.

Cumulative Voting. Under the DGCL, 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.

There are no prohibitions in relation to cumulative voting under the laws of the Cayman Islands, but our post-offering 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 DGCL, 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 post-offering articles of association, directors can be removed by an ordinary resolution of shareholders.

Transactions with Interested Shareholders. The DGCL contains a business combination statute applicable to Delaware public corporations whereby, unless the corporation has specifically elected not to be governed by such statute by an amendment to its certificate of incorporation or bylaws that is approved by its shareholders, 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 15% or more of the corporation's outstanding voting stock or who or which is an affiliate or associate of the corporation and owned 15% or more of the corporation'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 others, 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 public 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 not with the effect of constituting a fraud on the minority shareholders.

Amendment of Governing Documents. Under the DGCL, a corporation's certificate of incorporation may be amended only if adopted and declared advisable by the board of directors and approved by a majority of the outstanding shares entitled to vote, and the bylaws may be amended with the approval of a majority of the outstanding shares entitled to vote and may, if so provided in the certificate of incorporation, also be amended by the board of directors. Under the Companies Law, our Memorandum and Articles may only be amended by a special resolution of our shareholders.

Rights of Non-resident or Foreign Shareholders. There are no limitations imposed by our post-offering 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 post-offering memorandum and articles of association governing the ownership threshold above which shareholder ownership must be disclosed.

Indemnification. 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.

Under our post-offering articles of association, we may indemnify our directors, secretary and other officers against expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by such persons in connection with actions, suits or proceedings to which they are party or are threatened to be made a party incurred in their capacities as such, unless such losses or damages arise from dishonesty, fraud or wilful default which may attach to such directors or officers. This standard of conduct is generally the same as permitted under the DGCL for a Delaware corporation.

We intend to enter into indemnification agreements with our directors and executive officers to indemnify them to the fullest extent permitted by applicable law and our articles of association, from and against all costs, charges, expenses, liabilities and losses incurred in connection with any litigation, suit or proceeding to which such director or officer is or is threatened to be made a party, witness or other participant.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us under the foregoing provisions, we have been advised that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and therefore is unenforceable.

Registration Rights

Pursuant to the current amended and restated registration rights agreement dated January 14, 2011 and a joinder to the registration rights agreement dated February 16, 2011, we have granted certain registration rights to holders of our registrable securities, which include our preferred shares and ordinary shares converted or derived from our preferred shares. Set forth below is a description of the registration rights granted under the agreement.

Demand Registration Rights. Investors as listed in the registration rights agreement have the right to demand that we use commercially reasonable efforts to file a registration statement covering all or a portion of registrable securities then outstanding with an aggregate public offering price of at least US$20,000,000. We, however, are

not obligated to effect a demand registration if, among other things, the demand is made prior to the earlier of (i) April 1, 2013, or (ii) 180 days following the effective date of the registration statement filed in connection with this offering, or if we have already effected three demand registrations. We have the right to defer filing of a registration statement for up to 90 days if our board of directors determines in good faith that filing of a registration statement will be seriously detrimental to us, but we cannot exercise the deferral right more than once in any 12-month period.

Piggyback Registration Rights. If we propose to file a registration statement with respect to an offering of shares or other securities of our company, we shall notify the holders in writing and use commercially reasonable efforts to cause their registrable securities to be registered in the registration statement. We have the right to terminate or withdraw any registration whether or not such holder has elected to participate in the registration. We are not required to register any registrable securities in an underwritten offering unless these securities are included in the underwriting and their holders enter into an underwriting agreement in customary form with the underwriters selected by us. The underwriters may in good faith limit the number of shares if determined by marketing factors, provided that such exclusion does not reduce the number of registrable securities to be included by such holders below 25% of the total number of securities to be included in such registration and underwriting.

Form F-3 Registration Rights. When we are eligible for use of Form F-3, the holders of registrable securities then outstanding have the right to request that we file a registration statement on Form F-3. We may defer filing of a registration statement on Form F-3 for up to 90 days if our board of directors determines in good faith that filing such a registration statement will be seriously detrimental to us and our shareholders, but we cannot exercise the deferral right more than once in any 12-month period. We are not obligated to file a registration statement on Form F-3 if, among other things, the aggregate price of the securities to be offered and sold under the requested registration is less than US$1.00 million.

Expenses of Registration. We will pay all expenses relating to any demand, piggyback or Form F-3 registration, except for underwriting discounts and commissions relating to registration, filings or qualifications of our shares.

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

Citibank, N.A. has agreed to act as the depositary bank for the American Depositary Shares. Citibank's depositary offices are located at 388 Greenwich Street, New York, New York, 10013. American Depositary Shares are frequently referred to as "ADSs" and represent ownership interests in securities that are on deposit with the depositary bank. ADSs may be represented by certificates that are commonly known as "American Depositary Receipts" or "ADRs." The depositary bank typically appoints a custodian to safekeep the securities on deposit. In this case, the custodian is Citibank Hong Kong, located at 10/F, Harbour Front (II), 22, Tak Fung Street, Hung Hom, Kowloon, Hong Kong.

We will appoint Citibank as depositary bank pursuant to a deposit agreement. A copy of the deposit agreement is on file with the SEC under cover of a Registration Statement on Form F-6. You may obtain a copy of the deposit agreement from the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549 and from the SEC's website (www.sec.gov). Please refer to Registration Number 333- when retrieving such copy.

We are providing you with a summary description of the material terms of the ADSs and of your material rights as an owner of ADSs. Please remember that summaries by their nature lack the precision of the information summarized and that the rights and obligations of an owner of ADSs will be determined by reference to the terms of the deposit agreement and not by this summary. We urge you to review the deposit agreement in its entirety.

Each ADS represents the right to receive Class A ordinary shares on deposit with the custodian. An ADS also represents the right to receive any other property received by the depositary bank or the custodian on behalf of the owner of the ADS but that has not been distributed to the owners of ADSs because of legal restrictions or practical considerations.

If you become an owner of ADSs, you will become a party to the deposit agreement and therefore will be bound to its terms and to the terms of any ADR that represents your ADSs. The deposit agreement and the ADR specify our rights and obligations as well as your rights and obligations as an owner of ADSs and those of the depositary bank. As an ADS holder you appoint the depositary bank to act on your behalf in certain circumstances. The deposit agreement and the ADRs are governed by New York law. However, our obligations to the holders of Class A ordinary shares will continue to be governed by the laws of the Cayman Islands, which may be different from the laws in the United States.

In addition, applicable laws and regulations may require you to satisfy reporting requirements and obtain regulatory approvals in certain circumstances. You are solely responsible for complying with such reporting requirements and obtaining such approvals. Neither the depositary bank, the custodian, us or any of their or our respective agents or affiliates shall be required to take any actions whatsoever on behalf of you to satisfy such reporting requirements or obtain such regulatory approvals under applicable laws and regulations.

As an owner of ADSs, you may hold your ADSs either by means of an ADR registered in your name, through a brokerage or safekeeping account, or through an account established by the depositary bank in your name reflecting the registration of uncertificated ADSs directly on the books of the depositary bank (commonly referred to as the direct registration system, or DRS). The direct registration system reflects the uncertificated, or book-entry, registration of ownership of ADSs by the depositary bank. Under the direct registration system, ownership of ADSs is evidenced by periodic statements issued by the depositary bank to the holders of the ADSs. The direct registration system includes automated transfers between the depositary bank and The Depository Trust Company, or DTC, the central book-entry clearing and settlement system for equity securities in the United States. If you decide to hold your ADSs through your brokerage or safekeeping account, you must rely on the procedures of your broker or bank to assert your rights as an ADS owner. Banks and brokers typically hold securities such as ADSs through clearing and settlement systems such as DTC. The procedures of such clearing and settlement systems may limit your ability to exercise your rights as an owner of ADSs. Please consult with your broker or bank if you have any questions concerning these limitations and procedures. All

ADSs held through DTC will be registered in the name of a nominee of DTC. This summary description assumes you have opted to own the ADSs directly by means of an ADS registered in your name and, as such, we will refer to you as the "holder." When we refer to "you," we assume the reader owns ADSs and will own ADSs at the relevant time.

Dividends and Distributions

As a holder, you generally have the right to receive the distributions we make on the securities deposited with the custodian. Your receipt of these distributions may be limited, however, by practical considerations and legal limitations. Holders will receive such distributions under the terms of the deposit agreement in proportion to the number of ADSs held as of a specified record date.

Distributions of Cash

Whenever we make a cash distribution for the securities on deposit with the custodian, we will deposit the funds with the custodian. Upon receipt of confirmation of the deposit of the requisite funds, the depositary bank will arrange for the funds to be converted into U.S. dollars and for the distribution of U.S. dollars to the holders, subject to the laws and regulations of the Cayman Islands.

The conversion into U.S. dollars will take place only if practicable and if U.S. dollars are transferable to the United States. The amounts distributed to holders will be net of the fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. The depositary bank will apply the same method for distributing the proceeds of the sale of any property (such as undistributed rights) held by the custodian in respect of securities on deposit.

The distribution of cash will be made net of the fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement.

Distributions of Shares

Whenever we make a free distribution of Class A ordinary shares for the securities on deposit with the custodian, we will deposit the applicable number of Class A ordinary shares with the custodian. Upon receipt of confirmation of such deposit, the depositary bank will either distribute to holders new ADSs representing the Class A ordinary shares deposited or modify the ADS-to-Class A ordinary share ratio, in which case each ADS you hold will represent rights and interests in the additional Class A ordinary shares so deposited. Only whole new ADSs will be distributed. Fractional entitlements will be sold and the proceeds of such sale will be distributed as in the case of a cash distribution.

The distribution of new ADSs or the modification of the ADS-to-Class A ordinary share ratio upon a distribution of Class A ordinary shares will be made net of the fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. In order to pay such taxes or governmental charges, the depositary bank may sell all or a portion of the new Class A ordinary shares so distributed.

No such distribution of new ADSs will be made if it would violate a law (i.e., the U.S. securities laws) or if it is not operationally practicable. If the depositary bank does not distribute new ADSs as described above, it may sell the Class A ordinary shares received upon the terms described in the deposit agreement and will distribute the proceeds of the sale as in the case of a distribution of cash.

Distributions of Rights

Whenever we intend to distribute rights to purchase additional Class A ordinary shares, we will give prior notice to the depositary bank and we will assist the depositary bank in determining whether it is lawful and reasonably practicable to distribute rights to purchase additional ADSs to holders.

The depositary bank will establish procedures to distribute rights to purchase additional ADSs to holders and to enable such holders to exercise such rights if it is lawful and reasonably practicable to make the rights available to holders of ADSs, and if we provide all of the documentation contemplated in the deposit agreement (such as opinions to address the lawfulness of the transaction). You may have to pay fees, expenses, taxes and other governmental charges to subscribe for the new ADSs upon the exercise of your rights. The depositary bank is not obligated to establish procedures to facilitate the distribution and exercise by holders of rights to purchase new Class A ordinary shares other than in the form of ADSs.

The depositary bank will *not* distribute the rights to you if:

- we do not timely request that the rights be distributed to you or we request that the rights not be distributed to you; or
- we fail to deliver satisfactory documents to the depositary bank; or
- it is not reasonably practicable to distribute the rights.

The depositary bank will sell the rights that are not exercised or not distributed if such sale is lawful and reasonably practicable. The proceeds of such sale will be distributed to holders as in the case of a cash distribution. If the depositary bank is unable to sell the rights, it will allow the rights to lapse.

Elective Distributions

Whenever we intend to distribute a dividend payable at the election of shareholders either in cash or in additional shares, we will give prior notice thereof to the depositary bank and will indicate whether we wish the elective distribution to be made available to you. In such case, we will assist the depositary bank in determining whether such distribution is lawful and reasonably practicable.

The depositary bank will make the election available to you only if it is reasonably practicable and if we have provided all of the documentation contemplated in the deposit agreement. In such case, the depositary bank will establish procedures to enable you to elect to receive either cash or additional ADSs, in each case as described in the deposit agreement.

If the election is not made available to you, you will receive either cash or additional ADSs, depending on what a shareholder of Class A ordinary shares in the Cayman Islands would receive upon failing to make an election, as more fully described in the deposit agreement.

Other Distributions

Whenever we intend to distribute property other than cash, Class A ordinary shares or rights to purchase additional Class A ordinary shares, we will notify the depositary bank in advance and will indicate whether we wish such distribution to be made to you. If so, we will assist the depositary bank in determining whether such distribution to holders is lawful and reasonably practicable.

If it is reasonably practicable to distribute such property to you and if we provide all of the documentation contemplated in the deposit agreement, the depositary bank will distribute the property to the holders in a manner it deems practicable.

The distribution will be made net of fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. In order to pay such taxes and governmental charges, the depositary bank may sell all or a portion of the property received.

The depositary bank will *not* distribute the property to you and will sell the property if:

- we do not request that the property be distributed to you or if we ask that the property not be distributed to you; or
- we do not deliver satisfactory documents to the depositary bank; or
- the depositary bank determines that all or a portion of the distribution to you is not reasonably practicable.

The proceeds of such a sale will be distributed to holders as in the case of a cash distribution.

Redemption

Whenever we decide to redeem any of the securities on deposit with the custodian, we will notify the depositary bank in advance. If it is reasonably practicable and if we provide all of the documentation contemplated in the deposit agreement, the depositary bank will provide notice of the redemption to the holders.

The custodian will be instructed to surrender the shares being redeemed against payment of the applicable redemption price. The depositary bank will convert the redemption funds received into U.S. dollars upon the terms of the deposit agreement and will establish procedures to enable holders to receive the net proceeds from the redemption upon surrender of their ADSs to the depositary bank. You may have to pay fees, expenses, taxes and other governmental charges upon the redemption of your ADSs. If less than all ADSs are being redeemed, the ADSs to be retired will be selected by lot or on a *pro rata* basis, as the depositary bank may determine.

Changes Affecting Class A Ordinary Shares

The Class A ordinary shares held on deposit for your ADSs may change from time to time. For example, there may be a change in nominal or par value; a split-up, cancellation, consolidation or reclassification of such Class A ordinary shares; or a recapitalization, reorganization, merger, consolidation or sale of assets.

If any such change were to occur, your ADSs would, to the extent permitted by law, represent the right to receive the property received or exchanged in respect of the Class A ordinary shares held on deposit. The depositary bank may in such circumstances deliver new ADSs to you; amend the deposit agreement, the ADRs and the applicable Registration Statement(s) on Form F-6; call for the exchange of your existing ADSs for new ADSs; and take any other actions that are appropriate to reflect as to the ADSs the change affecting the Class A ordinary shares. If the depositary bank may not lawfully distribute such property to you, the depositary bank may sell such property and distribute the net proceeds to you as in the case of a cash distribution.

Issuance of ADSs upon Deposit of Class A Ordinary Shares

The depositary bank may create ADSs on your behalf if you or your broker deposits Class A ordinary shares with the custodian. The depositary bank will deliver these ADSs to the person you indicate only after you pay any applicable issuance fees and any charges and taxes payable for the transfer of the Class A ordinary shares to the custodian. Your ability to deposit Class A ordinary shares and receive ADSs may be limited by U.S. and Cayman Islands legal considerations applicable at the time of deposit.

The issuance of ADSs may be delayed until the depositary bank or the custodian receives confirmation that all required approvals have been given and that the Class A ordinary shares have been duly transferred to the custodian. The depositary bank will only issue ADSs in whole numbers.

When you make a deposit of Class A ordinary shares, you will be responsible for transferring good and valid title to the depositary bank. As such, you will be deemed to represent and warrant that:

- The Class A ordinary shares are duly authorized, validly issued, fully paid, non-assessable and legally obtained.
- All preemptive (and similar) rights, if any, with respect to such Class A ordinary shares have been validly waived or exercised.
- You are duly authorized to deposit the Class A ordinary shares.
- The Class A ordinary shares presented for deposit are free and clear of any lien, encumbrance, security interest, charge, mortgage or adverse claim, and are not, and the ADSs issuable upon such deposit will not be, "restricted securities" (as defined in the deposit agreement).
- The Class A ordinary shares presented for deposit have not been stripped of any rights or entitlements.

If any of the representations or warranties are incorrect in any way, we and the depositary bank may, at your cost and expense, take any and all actions necessary to correct the consequences of the misrepresentations.

Transfer, Combination and Split Up of ADRs

As an ADR holder, you will be entitled to transfer, combine or split up your ADRs and the ADSs evidenced thereby. For transfers of ADRs, you will have to surrender the ADRs to be transferred to the depositary bank and also must:

- ensure that the surrendered ADR certificate is properly endorsed or otherwise in proper form for transfer;
- provide such proof of identity and genuineness of signatures as the depositary bank deems appropriate;
- provide any transfer stamps required by the State of New York or the United States; and
- pay all applicable fees, charges, expenses, taxes and other government charges payable by ADR holders pursuant to the terms of the deposit agreement, upon the transfer of ADRs.

To have your ADRs either combined or split up, you must surrender the ADRs in question to the depositary bank with your request to have them combined or split up, and you must pay all applicable fees, charges and expenses payable by ADR holders, pursuant to the terms of the deposit agreement, upon a combination or split up of ADRs.

Withdrawal of Shares Upon Cancellation of ADSs

As a holder, you will be entitled to present your ADSs to the depositary bank for cancellation and then receive the corresponding number of underlying Class A ordinary shares at the custodian's offices. Your ability to withdraw the Class A ordinary shares may be limited by U.S. and Cayman Islands legal considerations applicable at the time of withdrawal. In order to withdraw the Class A ordinary shares represented by your ADSs, you will be required to pay to the depositary bank the fees for cancellation of ADSs and any charges and taxes payable upon the transfer of the Class A ordinary shares being withdrawn. You assume the risk for delivery of all funds and securities upon withdrawal. Once canceled, the ADSs will not have any rights under the deposit agreement.

If you hold ADSs registered in your name, the depositary bank may ask you to provide proof of identity and genuineness of any signature and such other documents as the depositary bank may deem appropriate before it will cancel your ADSs. The withdrawal of the Class A ordinary shares represented by your ADSs may be delayed until the depositary bank receives satisfactory evidence of compliance with all applicable laws and regulations. Please keep in mind that the depositary bank will only accept ADSs for cancellation that represent a whole number of securities on deposit.

You will have the right to withdraw the Class A ordinary shares represented by your ADSs at any time except for:

- Temporary delays that may arise because (i) the transfer books for the Class A ordinary shares or ADSs are closed, or (ii) Class A ordinary shares are immobilized on account of a shareholders' meeting or a payment of dividends;
- Obligations to pay fees, taxes and similar charges; and
- Restrictions imposed because of laws or regulations applicable to ADSs or the withdrawal of securities on deposit.

The deposit agreement may not be modified to impair your right to withdraw the securities represented by your ADSs except to comply with mandatory provisions of law.

Voting Rights

As a holder, you generally have the right under the deposit agreement to instruct the depositary bank to exercise the voting rights for the Class A ordinary shares represented by your ADSs. The voting rights of holders of ordinary shares are described in "Description of Share Capital."

The depositary bank will distribute to you any notice of shareholders' meeting received from us together with information explaining how to instruct the depositary bank to exercise the voting rights of the securities represented by ADSs.

Voting at our shareholders' meetings is by show of hands unless a poll is demanded. A poll may be demanded by the chairman of such shareholder meeting or any shareholder present in person or by proxy. If the depositary bank timely receives voting instructions from a holder of ADSs, the depositary bank will endeavor to cause the Class A ordinary shares on deposit to be voted as follows: (a) in the event voting takes place at a shareholders' meeting by show of hands, the depositary bank will instruct the custodian to vote all Class A ordinary shares on deposit in accordance with the voting instructions received from a majority of the holders of ADSs who provided voting instructions; or (b) in the event voting takes place at a shareholders' meeting by poll, the depositary bank will instruct the custodian to vote the ordinary shares on deposit in accordance with the voting instructions received from holders of ADSs. In the event of voting by poll, Class A ordinary shares in respect of which no timely voting instructions have been received from ADS holders will not be voted.

In order to give you a reasonable opportunity to instruct the depositary bank as to the exercise of voting rights relating to deposited securities, if we request the depositary bank to act, pursuant to the deposit agreement, we will give the depositary notice of any such meeting and details concerning the matters to be voted upon at least 30 days in advance of the meeting date, although our post-IPO memorandum and articles of association only otherwise require an advance notice of at least 14 days.

Please note that the ability of the depositary bank to carry out voting instructions may be limited by practical and legal limitations and the terms of the securities on deposit. We cannot assure you that you will receive voting materials in time to enable you to return voting instructions to the depositary bank in a timely manner. Securities for which no voting instructions have been received will not be voted.

Fees and Charges

As an ADS holder, you will be required to pay the following service fees to the depositary bank:

Service	Fees
• **Issuance of ADSs**	**Up to U.S. 5¢ per ADS issued**
• **Cancellation of ADSs**	**Up to U.S. 5¢ per ADS canceled**
• **Distribution of cash dividends or other cash distributions**	**Up to U.S. 5¢ per ADS held**
• **Distribution of ADSs pursuant to stock dividends, free stock distributions or exercise of rights.**	**Up to U.S. 5¢ per ADS held**
• **Distribution of securities other than ADSs or rights to purchase additional ADSs**	**Up to U.S. 5¢ per ADS held**
• **Depositary Services**	**Up to U.S. 5¢ per ADS held on the applicable record date(s) established by the Depositary**
• **Transfer of ADRs**	**U.S. $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 Class A ordinary shares charged by the registrar and transfer agent for the Class A ordinary shares in the Cayman Islands (i.e., upon deposit and withdrawal of Class A 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 (i.e., when Class A ordinary shares are deposited or withdrawn from deposit); and
- fees and expenses incurred in connection with the delivery or servicing of Class A ordinary shares on deposit.

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 record holders of ADSs as of the applicable ADS record date.

The depositary fees payable for cash distributions are generally deducted from the cash being distributed. In the case of distributions other than cash (i.e., stock dividends, rights), the depositary bank charges the applicable fee to the record date ADS holders concurrent with the distribution. In the case of ADSs registered in the name of the investor (whether certificated or uncertificated in the direct registration system), 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.

Note that the fees and charges you may be required to pay may vary over time and may be changed by us and by the depositary bank. You will receive prior notice of such changes.

The depositary bank may reimburse us for certain expenses incurred by us in respect of the ADR program established pursuant to the deposit agreement, by making available 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 bank may agree from time to time.

Amendments and Termination

We may agree with the depositary bank to modify the deposit agreement at any time without your consent. We undertake to give holders 30 days prior notice of any modifications that would materially prejudice any of their substantial rights under the deposit agreement. We will not consider to be materially prejudicial to your substantial rights any modifications or supplements that are reasonably necessary for the ADSs to be registered under the Securities Act or to be eligible for book-entry settlement, in each case without imposing or increasing the fees and charges you are required to pay. In addition, we may not be able to provide you with prior notice of any modifications or supplements that are required to accommodate compliance with applicable provisions of law.

You will be bound by the modifications to the deposit agreement if you continue to hold your ADSs after the modifications to the deposit agreement become effective. The deposit agreement cannot be amended to prevent you from withdrawing the Class A ordinary shares represented by your ADSs (except as permitted by law).

We have the right to direct the depositary bank to terminate the deposit agreement. Similarly, the depositary bank may in certain circumstances on its own initiative terminate the deposit agreement. In either case, the depositary bank must give notice to the holders at least 30 days before termination. Until termination, your rights under the deposit agreement will be unaffected.

After termination, the depositary bank will continue to collect distributions received (but will not distribute any such property until you request the cancellation of your ADSs) and may sell the securities held on deposit. After the sale, the depositary bank will hold the proceeds from such sale and any other funds then held for the holders of ADSs in a non-interest bearing account. At that point, the depositary bank will have no further obligations to holders other than to account for the funds then held for the holders of ADSs still outstanding (after deduction of applicable fees, taxes and expenses).

Books of Depositary Bank

The depositary bank will maintain ADS holder records at its depositary office. You may inspect such records at such office during regular business hours but solely for the purpose of communicating with other holders in the interest of business matters relating to the ADSs and the deposit agreement.

The depositary bank will maintain in New York facilities to record and process the issuance, cancellation, combination, split up and transfer of ADSs. These facilities may be closed from time to time, to the extent not prohibited by law.

Limitations on Obligations and Liabilities

The deposit agreement limits our obligations and the depositary bank's obligations to you. Please note the following:

- We and the depositary bank are obligated only to take the actions specifically stated in the deposit agreement without negligence or bad faith.
- The depositary bank disclaims any liability for any failure to carry out voting instructions, for any manner in which a vote is cast or for the effect of any vote, provided it acts in good faith and in accordance with the terms of the deposit agreement.
- The depositary bank disclaims any liability for any failure to determine the lawfulness or practicality of any action, for the content of any document forwarded to you on our behalf or for the accuracy of any translation of such a document, for the investment risks associated with investing in Class A ordinary shares, for the validity or worth of the Class A ordinary shares, for any tax consequences that result from the ownership of ADSs, for the credit-worthiness of any third party, for allowing any rights to lapse under the terms of the deposit agreement, for the timeliness of any of our notices or for failure to give notice.
- We and the depositary bank will not be obligated to perform any act that is inconsistent with the terms of the deposit agreement.
- We and the depositary bank disclaim any liability if we or the depositary bank are prevented or forbidden from or subject to any civil or criminal penalty or restraint on account of, or delayed in, doing or performing any act or thing required by the terms of the deposit agreement, by reason of any provision, present or future of any law or regulation, or by reason of present or future provision of any provision of our articles of association, or any provision of or governing the securities on deposit, or by reason of any act of God or war or other circumstances beyond our control.
- We and the depositary bank disclaim any liability by reason of any exercise of, or failure to exercise, any discretion provided for the deposit agreement or in our articles of association or in any provisions of or governing the securities on deposit.
- We and the depositary bank further disclaim any liability for any action or inaction in reliance on the advice or information received from legal counsel, accountants, any person presenting Class A ordinary shares for deposit, any holder of ADSs or authorized representatives thereof, or any other person believed by either of us in good faith to be competent to give such advice or information.
- We and the depositary bank also disclaim liability for the inability by a holder to benefit from any distribution, offering, right or other benefit that is made available to holders of Class A ordinary shares but is not, under the terms of the deposit agreement, made available to you.
- We and the depositary bank may rely without any liability upon any written notice, request or other document believed to be genuine and to have been signed or presented by the proper parties.
- We and the depositary bank also disclaim liability for any consequential or punitive damages for any breach of the terms of the deposit agreement.

The deposit agreement specifically states that no disclaimer of liability under the Securities Act is intended by any provision of the deposit agreement.

Pre-Release Transactions

Subject to certain terms and conditions, the depositary bank may issue to broker/dealers ADSs before receiving a deposit of Class A ordinary shares. These transactions are commonly referred to as "pre-release

transactions" and are entered into between the depositary bank and the applicable broker/dealer. The deposit agreement limits the aggregate size of pre-release transactions (not to exceed 30% of the shares on deposit in the aggregate) and imposes a number of conditions on such transactions (i.e., the need to receive full collateral, the type of collateral required, the representations required from brokers, etc.). The depositary bank may retain the compensation received from the pre-release transactions.

Taxes

You will be responsible for the taxes and other governmental charges payable on the ADSs and the securities represented by the ADSs. We, the depositary bank and the custodian may deduct from any distribution the taxes and governmental charges payable by holders and may sell any or all property on deposit to pay the taxes and governmental charges payable by holders. You will be liable for any deficiency if the sale proceeds do not cover the taxes that are due.

The depositary bank may refuse to issue ADSs, to deliver, transfer, split and combine ADRs, or to release securities on deposit until all taxes and charges are paid by the applicable holder. The depositary bank and the custodian may take reasonable administrative actions to obtain tax refunds and reduced tax withholding for any distributions on your behalf. However, you may be required to provide to the depositary bank and to the custodian proof of taxpayer status and residence and such other information as the depositary bank and the custodian may require to fulfill legal obligations. You are required to indemnify us, the depositary bank and the custodian for any claims with respect to taxes based on any tax benefit obtained for you.

Foreign Currency Conversion

The depositary bank will arrange for the conversion of all foreign currency received into U.S. dollars if such conversion is practical, and it will distribute U.S. dollars in accordance with the terms of the deposit agreement. You may have to pay fees and expenses incurred in converting foreign currency, such as fees and expenses incurred in complying with currency exchange controls and other governmental requirements.

If the conversion of foreign currency is not practical or lawful, or if any required approvals are denied or not obtainable at a reasonable cost or within a reasonable period, the depositary bank may take the following actions in its discretion:

- convert the foreign currency to the extent practical and lawful and distribute U.S. dollars to the holders for whom the conversion and distribution is lawful and practical;
- distribute the foreign currency to holders for whom the distribution is lawful and practical; and
- hold the foreign currency (without liability for interest) for the applicable holders.

SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of this offering, we will have outstanding ADSs representing approximately % of our ordinary shares in issue. All of the ADSs sold in this offering will be freely transferable by persons other than our "affiliates" without restriction or further registration under the Securities Act. Sales of substantial amounts of our ADSs in the public market could adversely affect prevailing market prices of our ADSs. Prior to this offering, there has been no public market for our ordinary shares or the ADSs, and although our ADSs have been approved for listing on the NASDAQ Global Market, we cannot assure you that a regular trading market will develop in the ADSs. We do not expect that a trading market will develop for our ordinary shares not represented by the ADSs.

Lock-Up Agreements

We have agreed that we will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any ADSs or ordinary shares or securities convertible into or exchangeable or exercisable for any ADSs or ordinary shares, or enter into any swap or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our ordinary shares or ADSs, whether any of these transactions are to be settled by delivery of our ordinary shares or ADSs or other securities, in cash or otherwise, or file with the SEC a registration statement under the Securities Act relating to, any ADSs or ordinary shares or such other securities, without, in each case, the prior written consent of the representatives of the underwriters for a period of 180 days after the date of this prospectus, except issuances pursuant to the exercise of employee stock options.

Our officers, directors, existing shareholders and certain option holders have agreed that they will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any ADSs or ordinary shares or securities convertible into or exchangeable or exercisable for any ADSs or ordinary shares, or enter into any swap, or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our ordinary shares or ADSs, whether any of these transactions are to be settled by delivery of our ordinary shares or ADSs or other securities, in cash or otherwise, without, in each case, the prior written consent of the representatives of the underwriters for a period of 180 days after the date of this prospectus. After the expiration of the 180-day period, the ordinary shares or ADSs held by our directors, executive officers or principal shareholders may be sold subject to the restrictions under Rule 144 under the Securities Act or by means of registered public offerings.

The 180-day lock-up period is subject to adjustment under certain circumstances. If in the event that either (1) during the last 17 days of the "lock-up" period, we release earnings results or material news or a material event relating to us occurs or (2) prior to the expiration of the "lock-up" period, we announce that we will release earnings results during the 16-day period beginning on the last day of the "lock-up" period, then in either case the expiration of the "lock-up" will be extended until the expiration of the 18-day period beginning on the date of the release of the earnings results or the occurrence of the material news or event, as applicable, unless the representatives of the underwriters waive, in writing, such an extension.

In addition, we have instructed Citibank N.A., as depositary, not to accept any deposit of any ordinary shares or issue any ADSs for 180 days after the date of this prospectus (other than in connection with this offering), unless we instruct the depositary otherwise.

Our shareholders may dispose of our ADSs or ordinary shares after the "lock-up" period. We cannot predict what effect, if any, future sales of our ADSs or ordinary shares, or the availability of ADSs or ordinary shares for future sale, will have on the trading price of our ADSs from time to time. Sales of substantial amounts of our ADSs or ordinary shares in the public market, or the perception that these sales could occur, could adversely affect the trading price of our ADSs.

Rule 144

All of our ordinary shares outstanding prior to this offering are "restricted securities" as that term is defined in Rule 144 under the Securities Act and may be sold publicly in the United States only if they are subject to an effective registration statement under the Securities Act or pursuant to an exemption from the registration requirement such as those provided by Rule 144 and Rule 701 promulgated under the Securities Act. In general, under Rule 144 as currently in effect, beginning 90 days after the date of this prospectus, a person (or persons whose shares are aggregated) who at the time of a sale is not, and has not been during the three months preceding the sale, an affiliate of us and has beneficially owned our restricted securities for at least six months will be entitled to sell the restricted securities without registration under the Securities Act, subject only to the availability of current public information about us, and will be entitled to sell restricted securities beneficially owned for at least one year without restriction. Persons who are our affiliates and have beneficially owned our restricted securities for at least six months may sell within any three-month period a number of restricted securities that does not exceed the greater of the following:

- 1% of the number of our ordinary shares then outstanding, in the form of ADSs or otherwise, which will equal approximately million shares immediately after this offering, assuming the underwriters do not exercise their over-allotment option; and
- the average weekly trading volume of our ADSs on during the four calendar weeks preceding the date on which notice of the sale is filed with the SEC.

Sales by our affiliates under Rule 144 are also subject to certain requirements relating to manner of sale, notice and the availability of current public information about us.

Rule 701

In general, under Rule 701 of the Securities Act as currently in effect, each of our employees, consultants or advisors who purchases our ordinary shares from us in connection with a compensatory stock plan or other written agreement executed prior to the completion of this offering is eligible to resell such ordinary shares in reliance on Rule 144, but without compliance with some of the restrictions, including the holding period, contained in Rule 144. However, the Rule 701 shares would remain subject to lock-up arrangements and would only become eligible for sale when the lock-up period expires.

Registration Rights

Upon completion of this offering, certain holders of our ordinary shares or their transferees will be entitled to request that we register their shares under the Securities Act, following the expiration of the lock-up agreements described above. See "Description of Share Capital—Registration Rights."

TAXATION

The following summary of the material Cayman Islands, PRC and United States federal income tax consequences of an investment in our ADSs or Class A ordinary shares is based upon laws and relevant interpretations thereof in effect as of the date of this registration statement, all of which are subject to change. This summary does not deal with all possible tax consequences relating to an investment in our ADSs or Class A ordinary shares, such as the tax consequences under state, local and other tax laws. To the extent that the discussion relates to matters of Cayman Islands tax law, it is the opinion of Maples and Calder, our special Cayman Islands counsel; to the extent it relates to PRC tax law, it is the opinion of King & Wood Law Offices.

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. 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 brought within the jurisdiction of the Cayman Islands. The Cayman Islands is not party to any double tax treaties that are applicable to any payments made to or by our Company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

People's Republic of China Taxation

Under the PRC Enterprise Income Tax Law, an enterprise established outside the PRC with "*de facto* management bodies" within the PRC is considered a "resident enterprise" of the PRC. A circular issued by the State Administration of Taxation on April 22, 2009 clarified that dividends and other income paid by certain offshore enterprises controlled by a PRC company or a PRC company group established outside of the PRC will be considered PRC-source income and subject to PRC withholding tax, currently at a rate of 10%, when paid to non-PRC enterprise shareholders. Under the implementation regulations to the Enterprise Income Tax Law, a "*de facto* management body" is defined as a body that has material and overall management and control over the manufacturing and business operations, personnel and human resources, finances and properties of an enterprise. In addition, the recent circular mentioned above specifies that certain offshore enterprises controlled by a PRC company or a PRC company group will be classified as PRC resident enterprises if the following are located or resident in the PRC: senior management personnel and departments that are responsible for daily production, operation and management; financial and personnel decision-making bodies; key properties, accounting books, the company seal, and minutes of board meetings and shareholders meetings; and half or more of the senior management or directors having voting rights. Although the circular only applies to offshore enterprises controlled by PRC enterprises and not those controlled by PRC individuals, the determining criteria set forth in the circular may reflect the State Administration of Taxation's 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 or individuals. We believe that we are not a PRC resident enterprise. However, if the PRC tax authorities determine we are a PRC resident enterprise for enterprise income tax purposes, we may be required to withhold tax at the rate of 10% from dividends we pay to our shareholders, including the holders of our ADSs. In addition, non-PRC shareholders may be subject to PRC tax on gains realized on the sale or other disposition of ADSs or Class A ordinary shares if such income is treated as sourced from within the PRC. It is unclear whether our non-PRC shareholders of would be able to claim the benefits of any tax treaties between their tax residence and the PRC in the event that we are treated as a PRC resident enterprise. See "Risk Factors—Risks Related to Doing Business in China—Under the PRC Enterprise Income Tax Law, we may be classified as a resident enterprise of China. Such classification could result in unfavorable tax consequences to us and our non-PRC resident shareholders."

Material United States Federal Income Tax Considerations

The following is a summary of the material United States federal income tax consequences of the ownership and disposition of our ADSs or Class A ordinary shares by a U.S. Holder, as defined below, that acquires our

ADSs in the offering and holds our ADSs or Class A ordinary shares as "capital assets" (generally, property held for investment) under the United States Internal Revenue Code. This summary is based upon existing United States federal tax law, which is subject to differing interpretations or change, possibly with retroactive effect. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to any United States federal income tax consequences described below, and there can be no assurance that the IRS or a court will not take a contrary position. This summary does not discuss all aspects of United States federal income taxation that may be important to particular investors in light of their individual investment circumstances, including investors subject to special tax rules (for example, certain financial institutions, insurance companies, regulated investment companies, real estate investment trusts, broker-dealers, traders in securities that elect mark-to-market treatment, partnerships and their partners, and tax-exempt organizations (including private foundations)), investors who are not U.S. Holders, investors who own (directly, indirectly, or constructively) 10% or more of our voting stock, investors that hold their ADSs or Class A ordinary shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for United States federal income tax purposes, or investors that have a functional currency other than the United States dollar, all of whom may be subject to tax rules that differ significantly from those summarized below. In addition, this summary does not discuss any state, local, or non-United States tax considerations. Each potential investor is urged to consult its tax advisor regarding the United States federal, state, local and non-United States income and other tax considerations of an investment in our ADSs or Class A ordinary shares.

General

For purposes of this summary, a "U.S. Holder" is a beneficial owner of our ADSs or Class A ordinary shares that is, for United States federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation (or other entity treated as a corporation for United States federal income tax purposes) created in, or organized under the law of, the United States or any state thereof or the District of Columbia, (iii) an estate the income of which is includible in gross income for United States federal income tax purposes regardless of its source, or (iv) a trust (A) the administration of which is subject to the primary supervision of a United States court and which has one or more United States persons who have the authority to control all substantial decisions of the trust or (B) that has otherwise elected to be treated as a United States person under the United States Internal Revenue Code.

If a partnership (or other entity treated as a partnership for United States federal income tax purposes) is a beneficial owner of our ADSs or Class A ordinary shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Partnerships and partners of a partnership holding our ADSs or Class A ordinary shares are urged to consult their tax advisors regarding an investment in our ADSs or Class A ordinary shares.

Based in part on certain representations from the depositary bank, a U.S. Holder of ADSs will be treated as the beneficial owner for United States federal income tax purposes of the underlying shares represented by the ADSs. The U.S. Treasury has expressed concerns that parties to whom American depositary shares are released before shares are delivered to the depositary, or intermediaries in the chain of ownership between holders of American depositary shares and the issuer of the security underlying the American depositary shares, may be taking actions that are inconsistent with the claiming of foreign tax credits by holders of American depositary shares. These actions would also be inconsistent with the claiming of the reduced rate of tax, described below, applicable to dividends received by certain non-corporate holders. Accordingly, the creditability of any PRC taxes, and the availability of the reduced tax rate for dividends received by certain non-corporate U.S. Holders, each described below, could be affected by actions taken by such parties or intermediaries.

Passive Foreign Investment Company Considerations

A non-United States corporation, such as our company, will be a "passive foreign investment company," or PFIC, for United States federal income tax purposes for any taxable year, if either (i) 75% or more of its gross

income for such year consists of certain types of "passive" income or (ii) 50% or more of the value of its assets (determined on the basis of a quarterly average) during such year produce or are held for the production of passive income (the "asset test"). Passive income generally includes dividends, interest, royalties, rents, annuities, net gains from the sale or exchange of property producing such income and net foreign currency gains. For this purpose, cash and assets readily convertible into cash are categorized as passive assets and the company's unbooked intangibles are taken into account for determining the value of its assets. We will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation in which we own, directly or indirectly, more than 25% (by value) of the stock.

Although the law in this regard is not entirely clear, we treat 21Vianet Technology and 21Vianet Beijing as being owned by us for United States federal income tax purposes, because we control their management decisions and are entitled to substantially all of the economic benefits associated with these entities, and, as a result, we consolidate these entities' results of operations in our consolidated U.S. GAAP financial statements. If it were determined, however, that we are not the owner of 21Vianet Technology and 21Vianet Beijing for United States federal income tax purposes, we would likely be treated as a PFIC for our current taxable year and any subsequent taxable year.

Assuming that we are the owner of 21Vianet Technology and 21Vianet Beijing for United States federal income tax purposes, we believe that we primarily operate as an active provider of managed hosting and cloud computing infrastructure services in China. Based on our current income and assets and projections as to the value of our assets based, in part, on the expected market value of our ADSs and outstanding Class A ordinary shares following this offering, we do not expect to be a PFIC for the current taxable year or in the foreseeable future. While we do not anticipate being a PFIC, because the value of the assets for purpose of the asset test may be determined by reference to the market price of our ADSs or Class A ordinary shares, fluctuations in the market price of our ADSs or Class A ordinary shares may cause us to become a PFIC for the current or subsequent taxable year.

The composition of our income and our assets will also be affected by how, and how quickly, we spend our liquid assets and the cash raised in this offering. Under circumstances where revenues from activities that produce passive income significantly increase relative to our revenues from activities that produce nonpassive income, or where we determine not to deploy significant amounts of cash for active purposes, our risk of becoming classified as a PFIC may substantially increase.

Furthermore, because there are uncertainties in the application of the relevant rules, it is possible that the IRS may challenge our classification of certain income and assets as non-passive or our valuation of our tangible and intangible assets, each of which may result in our becoming a PFIC for the current or subsequent taxable years. Because PFIC status is a fact-intensive determination made on an annual basis and will depend upon the composition of our assets and income and the value of our tangible and intangible assets from time to time, no assurance can be given that we are not or will not become a PFIC. In particular, if we are a PFIC for any year during which a U.S. Holder holds our ADSs or Class A ordinary shares, we generally will continue to be treated as a PFIC as to such U.S. Holder for all succeeding years during which such U.S. Holder holds our ADSs or Class A ordinary shares unless we cease to be a PFIC and the U.S. Holder makes a "deemed sale" election with respect to the ADSs or Class A ordinary shares.

The discussion below under "Dividends" and "Sale or Other Disposition of ADSs or Class A ordinary shares" assumes that we will not be a PFIC for United States federal income tax purposes. The U.S. federal income tax rules that apply if we are a PFIC for the current or any subsequent taxable year are generally discussed below under "Passive Foreign Investment Company Rules."

Dividends

Any cash distributions (including the amount of any PRC tax withheld) paid on our ADSs or Class A ordinary shares out of our current or accumulated earnings and profits, as determined under United States federal

income tax principles, will generally be includible in the gross income of a U.S. Holder as dividend income on the day actually or constructively received by the U.S. Holder, in the case of Class A ordinary shares, or by the depositary bank, in the case of ADSs. Because we do not intend to determine our earnings and profits on the basis of United States federal income tax principles, any distribution paid will generally be treated as a "dividend" for United States federal income tax purposes. Subject to the discussion above regarding concerns expressed by the U.S. Treasury, for taxable years beginning before January 1, 2013, a non-corporate recipient of dividend income generally will be subject to tax on dividend income from a "qualified foreign corporation" at a lower applicable capital gains rate rather than the marginal tax rates generally applicable to ordinary income provided that certain holding period and other requirements are met. We will be considered to be a qualified foreign corporation (i) with respect to any dividend we pay on our ADSs or Class A ordinary shares that are readily tradable on an established securities market in the United States, or (ii) if we are eligible for the benefits of a comprehensive tax treaty with the United States that the Secretary of Treasury of the United States determines is satisfactory for this purpose and includes an exchange of information program. We have applied to list the ADSs on the NASDAQ Global Market. Provided the listing is approved, we believe that the ADSs will be readily tradable on an established securities market in the United States and that we will be a qualified foreign corporation with respect to dividends paid on the ADSs. In the event we are deemed to be a resident enterprise under the PRC Enterprise Income Tax Law, we believe that we would be eligible for the benefits under the United States-PRC income tax treaty (which the U.S. Treasury Department has determined is satisfactory for this purpose) and that we would be treated as a qualified foreign corporation with respect to dividends paid on our Class A ordinary shares or ADSs. U.S. Holders should consult their tax advisors regarding the availability of the reduced tax rate on dividends in their particular circumstances. Dividends received on our ADSs or Class A ordinary shares will not be eligible for the dividends received deduction allowed to corporations.

Dividends paid on our ADSs or Class A ordinary shares generally will be treated as income from foreign sources for United States foreign tax credit purposes and generally will constitute passive category income. In the event that we are deemed to be a PRC resident enterprise under the PRC Enterprise Income Tax Law, a U.S. Holder may be subject to PRC withholding taxes on dividends paid, if any, on our ADSs or Class A ordinary shares. A U.S. Holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit in respect of any foreign withholding taxes imposed on dividends received on our ADSs or Class A ordinary shares. A U.S. Holder who does not elect to claim a foreign tax credit for foreign tax withheld may instead claim a deduction for United States federal income tax purposes in respect of such withholding, but only for a year in which such holder elects to do so for all creditable foreign income taxes. The rules governing the foreign tax credit are complex. U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Sale or Other Disposition of ADSs or Class A Ordinary Shares

A U.S. Holder will generally recognize capital gain or loss upon the sale or other disposition of ADSs or Class A ordinary shares in an amount equal to the difference between the amount realized upon the disposition and the holder's adjusted tax basis in such ADSs or Class A ordinary shares. Any capital gain or loss will be long-term if the ADSs or Class A ordinary shares have been held for more than one year and will generally be United States source gain or loss for United States foreign tax credit purposes. In the event that we are deemed to be a PRC resident enterprise under the PRC Enterprise Income Tax Law, and gain from the disposition of the ADSs or Class A ordinary shares is subject to tax in the PRC, such gain may be treated as PRC source gain for foreign tax credit purposes under the United States-PRC income tax treaty. The deductibility of a capital loss may be subject to limitations. U.S. Holders are urged to consult their tax advisors regarding the tax consequences if a foreign tax is imposed on a disposition of our ADSs or Class A ordinary shares, including the availability of the foreign tax credit under their particular circumstances.

Passive Foreign Investment Company Rules

If we are a PFIC for any taxable year during which a U.S. Holder holds our ADSs or Class A ordinary shares, unless the U.S. Holder makes a mark-to-market election (as described below), the U.S. Holder will

generally be subject to special tax rules that have a penalizing effect, regardless of whether we remain a PFIC, on (i) any excess distribution that we make to the U.S. Holder (which generally means any distribution paid during a taxable year to a U.S. Holder that is greater than 125% of the average annual distributions paid in the three preceding taxable years or, if shorter, the U.S. Holder's holding period for the ADSs or Class A ordinary shares), and (ii) any gain realized on the sale or other disposition, including, under certain circumstances, a pledge, of ADSs or Class A ordinary shares. Under the PFIC rules:

- the excess distribution and/or gain will be allocated ratably over the U.S. Holder's holding period for the ADSs or Class A ordinary shares;
- the amount allocated to the current taxable year and any taxable years in the U.S. Holder's holding period prior to the first taxable year in which we are a PFIC, or pre-PFIC year, will be taxable as ordinary income;
- the amount allocated to each prior taxable year, other than the current taxable year or a pre-PFIC year, will be subject to tax at the highest tax rate in effect applicable to individuals or corporations as appropriate for that year; and
- the interest charge generally applicable to underpayments of tax will be imposed on the tax attributable to each prior taxable year, other than a pre-PFIC year.

If we are a PFIC for any taxable year during which a U.S. Holder holds our ADSs or Class A ordinary shares and any of our non-United States subsidiaries is also a PFIC, such U.S. Holder would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC and would be subject to the rules described above on certain distributions by a lower-tier PFIC and a disposition of shares of a lower-tier PFIC even though such U.S. holder would not receive the proceeds of those distributions or dispositions. U.S. Holders should consult their tax advisors regarding the application of the PFIC rules to any of our subsidiaries.

As an alternative to the foregoing rules, if we are a PFIC, a U.S. Holder of "marketable stock" may make a mark-to-market election with respect to our ADSs, but not our Class A ordinary shares, provided that the ADSs are, as expected, listed on the NASDAQ Global Market and that the ADSs are regularly traded. We anticipate that our ADSs should qualify as being regularly traded, but no assurances may be given in this regard. If a U.S. Holder makes this election, the holder will generally (i) include as ordinary income for each taxable year that we are a PFIC the excess, if any, of the fair market value of ADSs held at the end of the taxable year over the adjusted tax basis of such ADSs and (ii) deduct as an ordinary loss the excess, if any, of the adjusted tax basis of the ADSs over the fair market value of such ADSs held at the end of the taxable year, but such deduction will only be allowed to the extent of the net amount previously included in income as a result of the mark-to-market election. The U.S. Holder's adjusted tax basis in the ADSs would be adjusted to reflect any income or loss resulting from the mark-to-market election. If a U.S. Holder makes a mark-to-market election and we cease to be a PFIC, the holder will not be required to take into account the mark-to-market gain or loss described above during any period that we are not a PFIC. If a U.S. Holder makes a mark-to-market election, any gain such U.S. Holder recognizes upon the sale or other disposition of our ADSs in a year when 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. In the case of a U.S. Holder who has held ADSs or Class A ordinary shares during any taxable year in respect of which we were classified as a PFIC and continues to hold such ADSs or Class A ordinary shares (or any portion thereof) and has not previously determined to make a mark-to-market election, and who is now considering making a mark-to-market election, special tax rules may apply relating to purging the PFIC taint of such ADSs or Class A ordinary shares.

Because a mark-to-market election cannot be made for any lower-tier PFICs that we may own, a U.S. Holder may continue to be subject to the PFIC rules with respect to such U.S. Holder's indirect interest in any

investments held by us that are treated as an equity interest in a PFIC for United States federal income tax purposes.

We do not intend to provide information necessary for U.S. Holders to make qualified electing fund elections, which, if available, would result in tax treatment different from the general tax treatment for PFICs described above.

If a U.S. Holder owns our ADSs or Class A ordinary shares during any taxable year that we are a PFIC, the holder must file an annual report with the U.S. Internal Revenue Service. Each U.S. Holder is urged to consult its tax advisor concerning the United States federal income tax consequences of purchasing, holding, and disposing ADSs or Class A ordinary shares if we are or become a PFIC, including the possibility of making a mark-to-market election.

Information Reporting and Backup Withholding

Pursuant to the Hiring Incentives to Restore Employment Act enacted on March 18, 2010, in tax years beginning after the date of enactment, an individual U.S. Holder and certain entities may be required to submit to the Internal Revenue Service certain information with respect to his or her beneficial ownership of the ADSs or Class A ordinary shares, if such ADSs or Class A ordinary shares are not held on his or her behalf by a U.S. financial institution. This new law also imposes penalties if an individual U.S. Holder is required to submit such information to the Internal Revenue Service and fails to do so.

In addition, dividend payments with respect to the ADSs or Class A ordinary shares and proceeds from the sale, exchange or redemption of the ADSs or Class A ordinary shares may be subject to information reporting to the IRS and United States backup withholding. Backup withholding will not apply, however, to a U.S. Holder who furnishes a correct taxpayer identification number and makes any other required certification, or who is otherwise exempt from backup withholding. U.S. Holders should consult their tax advisors regarding the application of the United States information reporting and backup withholding rules. Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. Holder's United States federal income tax liability, and a U.S. Holder generally may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the Internal Revenue Service and furnishing any required information.

UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. International plc, Barclays Capital Inc. and J.P. Morgan Securities LLC are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, severally, the number of ADSs indicated below:

Name	Number of ADSs
Morgan Stanley & Co. International plc	
Barclays Capital Inc.	
J.P. Morgan Securities LLC	
Piper Jaffray & Co.	
William Blair & Company, L.L.C.	
Pacific Crest Securities LLC	
Total	

The underwriters and the representatives are collectively referred to as the “underwriters” and the “representatives,” respectively. The underwriters are offering the ADSs subject to their acceptance of the ADSs from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the ADSs offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions, including the absence of any material adverse change in our business and the receipt of certain certificates, opinions and letters from us, our counsel and the independent accountants. The underwriters are obligated, severally and not jointly, to take and pay for all of the ADSs offered by this prospectus if any such ADSs are taken. The underwriters are not required, however, to take or pay for the ADSs covered by the underwriters’ over-allotment option described below. Morgan Stanley & Co. International plc will offer the ADSs in the United States through its registered broker-dealer in the United States, Morgan Stanley & Co. Incorporated.

The underwriters initially propose to offer part of the ADSs directly to the public at the initial public offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of US$ per ADS under the initial public offering price. After the initial offering of the ADSs, the offering price and other selling terms may from time to time be varied by the representatives.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to an aggregate of additional ADSs at the public offering price of US$ per ADS, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the ADSs offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional ADSs as the number listed next to the underwriter’s name in the preceding table bears to the total number of ADSs listed in the preceding table. If the underwriters’ option is exercised in full, the total price to the public would be US$, the total underwriters’ discounts and commissions would be US$ and the total proceeds to us (before expenses) would be US$.

The table below shows the per ADS and total underwriting discounts and commissions that we will pay to the underwriters. The underwriting discounts and commissions are determined by negotiations among us and the underwriters and are a percentage of the offering price to the public. Among the factors considered in determining the discounts and commissions are the size of the offering, the nature of the security to be offered and the discounts and commissions charged in comparable transactions.

These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional ADSs.

Underwriting Discounts and Commissions	No Exercise	Full Exercise
Per ADS	US$	US$
Total by us	US$	US$

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed five percent of the total number of ADSs offered by them.

The total expenses of the offering payable by us, excluding underwriting discounts and commissions, will be approximately US$ million. Expenses include the SEC and the Financial Industry Regulatory Authority, or FINRA, filing fees, the NASDAQ listing fee, and printing, legal, accounting and miscellaneous expenses.

We have applied for approval for listing the ADSs on the NASDAQ Global Market under the symbol "VNET."

We have agreed that, without the prior written consent of the representatives, subject to certain exceptions, we will not, during the period ending 180 days after the date of this prospectus:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any ordinary shares or ADSs or any securities convertible into or exercisable or exchangeable for ordinary shares or ADSs;
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the ordinary shares or ADSs; or
- file any registration statement with the SEC relating to the offering of any ordinary shares, ADSs or any securities convertible into or exercisable or exchangeable for ordinary shares or ADSs (other than a registration statement on Form S-8).

whether any such transaction described above is to be settled by delivery of ordinary shares, ADSs, or such other securities, in cash or otherwise.

Our directors, executive officers, existing shareholders and certain option holders have agreed that, without the prior written consent of the representatives, such director, officer, or shareholder subject to certain exceptions will not, during the period ending 180 days after the date of this prospectus:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any ordinary shares or ADSs or any securities convertible into or exercisable or exchangeable for ordinary shares or ADSs; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the ordinary shares or ADSs.

whether any such transaction described above is to be settled by delivery of ordinary shares, ADSs, or such other securities, in cash or otherwise.

The foregoing lock-up period will be extended under certain circumstances. If (1) during the last 17 days of the applicable lock-up period, we issue an earnings release or material news or a material event relating to us occurs; or (2) prior to the expiration of the applicable lock-up period, we announce that we will release earnings results during the 16-day period beginning on the last day of the applicable lock-up period, the lock-up will

continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event unless the extension is waived in writing by the underwriters.

In addition, we have instructed Citibank N.A., as depositary, not to accept any deposit of any ordinary shares or issue any ADSs for 180 days after the date of this prospectus (other than in connection with this offering), unless we instruct the depositary otherwise.

To facilitate this offering of the ADSs, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the ADSs. Specifically, the underwriters may sell more ADSs than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of ADSs available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing ADSs in the open market. In determining the source of ADSs to close out a covered short sale, the underwriters will consider, among other things, the open market price of ADSs compared to the price available under the over-allotment option. The underwriters may also sell ADSs in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing ADSs in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the ADSs in the open market after pricing that could adversely affect investors who purchase in this offering. In addition, to stabilize the price of the ADSs, the underwriters may bid for, and purchase, ADSs in the open market. Finally, the underwriting syndicate may reclaim selling concessions allowed to an underwriter or a dealer for distributing the ADSs in this offering, if the syndicate repurchases previously distributed ADSs to cover syndicate short positions or to stabilize the price of the ADSs. Any of these activities may stabilize or maintain the market price of the ADSs above independent market levels. The underwriters are not required to engage in these activities, and may end any of these activities at any time.

From time to time, the underwriters may have provided, and may continue to provide, investment banking and other financial advisory services to us, our officers or our directors for which they have received or will receive customary fees and commissions. In addition, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act and liabilities incurred in connection with the directed share program referred to below. If we are unable to provide this indemnification, we will contribute to payments that the underwriters may be required to make for these liabilities.

At our request, the underwriters have reserved for sale, at the initial public offering price, up to ADSs offered by this prospectus to our directors, officers, employees, business associates and related persons. We will pay all fees and disbursements of counsel incurred by the underwriters in connection with offering the ADSs to such persons. Any sales to these persons will be made through a directed share program. The number of ADSs available for sale to the general public will be reduced to the extent such persons purchase such reserved ADSs. Any reserved ADSs not so purchased will be offered by the underwriters to the general public on the same basis as the other ADSs offered by this prospectus. We have agreed to indemnify the underwriters for against certain liabilities and expenses, including liabilities under the Securities Act, in connection with the sales of directed shares.

The address of Morgan Stanley & Co. International plc is 25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom. The address of Barclays Capital Inc. is 745 Seventh Avenue, New York, NY 10019, United States of America. The address of J.P. Morgan Securities LLC is 383 Madison Avenue, New York, New York 10179, United States of America.

Electronic Offer, Sale and Distribution of ADSs

A prospectus in electronic format may be made available on the websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of ADSs to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations. In addition, ADSs may be sold by the underwriters to securities dealers who resell ADSs to online brokerage account holders. Other than the prospectus in electronic format, the information on any underwriter's or selling group member's website and any information contained in any other website maintained by any underwriter or selling group member is not part of the prospectus or the registration statement of which this prospectus forms a part, has not been approved and/or endorsed by us or any underwriter or selling group member in its capacity as underwriter or selling group member and should not be relied upon by investors.

Pricing of the Offering

Prior to this offering, there has been no public market for the ordinary shares or ADSs. The initial public offering price is determined by negotiations between us and the representatives. Among the factors considered in determining the initial public offering price are our future prospects and those of our industry in general, our sales, earnings, certain other financial and operating information in recent periods, the price-earnings ratios, price-sales ratios and market prices of securities and certain financial and operating information of companies engaged in activities similar to ours, the general condition of the securities markets at the time of this offering, the recent market prices of, and demand for, publicly traded ordinary share of generally comparable companies, and other factors deemed relevant by the representatives and us. Neither we nor the underwriters can assure investors that an active trading market will develop for our ADSs, or that the ADSs will trade in the public market at or above the initial public offering price.

Selling Restrictions

No action has been taken in any jurisdiction (except in the United States) that would permit a public offering of the ADSs, or the possession, circulation or distribution of this prospectus or any other material relating to us or the ADSs in any jurisdiction where action for that purpose is required. Accordingly, the ADSs may not be offered or sold, directly or indirectly, and neither this prospectus nor any other offering material relating to the ADSs may be distributed or published, in or from any jurisdiction except under circumstances that will result in compliance with the applicable laws and regulations thereof.

Australia. This prospectus is not a formal disclosure document and has not been, nor will be, lodged with the Australian Securities and Investments Commission. It does not purport to contain all information that an investor or their professional advisers would expect to find in a prospectus or other disclosure document (as defined in the Corporations Act 2001 (Australia)) for the purposes of Part 6D.2 of the Corporations Act 2001 (Australia) or in a product disclosure statement for the purposes of Part 7.9 of the Corporations Act 2001 (Australia), in either case, in relation to the ADSs.

The ADSs are not being offered in Australia to "retail clients" as defined in sections 761G and 761GA of the Corporations Act 2001 (Australia). This offering is being made in Australia solely to "wholesale clients" for the purposes of section 761G of the Corporations Act 2001 (Australia) and, as such, no prospectus, product disclosure statement or other disclosure document in relation to the ADSs has been, or will be, prepared.

This prospectus does not constitute an offer in Australia other than to wholesale clients. By submitting an application for our ADSs, you represent and warrant to us that you are a wholesale client for the purposes of section 761G of the Corporations Act 2001 (Australia). If any recipient of this prospectus is not a wholesale client, no offer of, or invitation to apply for, our ADSs shall be deemed to be made to such recipient and no applications for our ADSs will be accepted from such recipient. Any offer to a recipient in Australia, and any

agreement arising from acceptance of such offer, is personal and may only be accepted by the recipient. In addition, by applying for our ADSs you undertake to us that, for a period of 12 months from the date of issue of the ADSs, you will not transfer any interest in the ADSs to any person in Australia other than to a wholesale client.

Cayman Islands. This prospectus does not constitute a public offer of the ADSs or ordinary shares, whether by way of sale or subscription, in the Cayman Islands. Each underwriter has represented and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, any ADSs or ordinary shares in the Cayman Islands.

European Economic Area. In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date), it has not made and will not make an offer of the ADSs to the public in that Relevant Member State prior to the publication of a prospectus in relation to the ADSs which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except Relevant Member State at any time,

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to containing the prior consent of the underwriters for any such offer; or

(d) in any other circumstances which do not require the publication by the company of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of ADSs to the public” in relation to any ADS in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the ADSs to be offered so as to enable an investor to decide to purchase or subscribe the ADSs, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Japan. The underwriters will not offer or sell any of our ADSs directly or indirectly in Japan or to, or for the benefit of any Japanese person or to others, for re-offering or re-sale directly or indirectly in Japan or to any Japanese person, except in each case pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law of Japan and any other applicable laws and regulations of Japan. For purposes of this paragraph, “Japanese person” means any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

Hong Kong. The underwriters and each of their affiliates have not (i) offered or sold, and will not offer or sell, in Hong Kong, by means of any document, our ADSs other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong and any rules made under that Ordinance or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32 of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance or (ii) issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere any advertisement, invitation or document relating to our ADSs which is directed at, or the contents of which are likely to be accessed or read by,

the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to our ADSs which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance or any rules made under that Ordinance.

Singapore. This prospectus or any other offering material relating to our ADSs has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore, or the SFA. Accordingly, the underwriters have severally represented, warranted and agreed that (a) they have not offered or sold any of our ADSs or caused our ADSs to be made the subject of an invitation for subscription or purchase and it will not offer or sell any of our ADSs or cause the ADSs to be made the subject of an invitation for subscription or purchase, and (b) they have not circulated or distributed, and they will not circulate or distribute, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of our ADSs, whether directly or indirectly, to the public or any member of the public in Singapore other than (i) to an institutional investor as specified in Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275 of the SFA) and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

United Kingdom. An offer of the ADSs may not be made to the public in the United Kingdom within the meaning of Section 102B of the Financial Services and Markets Act 2000, as amended, or the FSMA, except to legal entities that are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities or otherwise in circumstances that do not require the publication by the company of a prospectus pursuant to the Prospectus Rules of the Financial Services Authority, or the FSA.

An invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) may only be communicated to persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or in circumstances in which Section 21 of FSMA does not apply to the company.

All applicable provisions of the FSMA with respect to anything done by the underwriters in relation to the ADSs must be complied with in, from or otherwise involving the United Kingdom.

People's Republic of China. This prospectus may not be circulated or distributed in the PRC and the ADSs may not be offered or sold, and will not offer or sell to any person for re-offering or resale directly or indirectly to any resident of the PRC except pursuant to applicable laws and regulations of the PRC. For the purpose of this paragraph, PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

EXPENSES RELATING TO THIS OFFERING

Set forth below is an itemization of the total expenses, excluding underwriting discount, which are expected to be incurred in connection with the offer and sale of the ADSs by us. With the exception of the Securities and Exchange Commission registration fee, the NASDAQ market entry and listing fee and the Financial Industry Regulatory Authority, Inc. filing fee, all amounts are estimates.

Securities and Exchange Commission Registration Fee	US$
NASDAQ Market Entry and Listing Fee	
Financial Industry Regulatory Authority, Inc. Fee	
Printing Expenses	
Legal Fees and Expenses	
Accounting Fees and Expenses	
Miscellaneous	
Total	US$

LEGAL MATTERS

We are being represented by Skadden, Arps, Slate, Meagher & Flom LLP with respect to certain legal matters as to United States federal securities and New York State law. The underwriters are being represented by Davis Polk & Wardwell LLP with respect to certain legal matters as to United States federal securities and New York State law. The validity of the ordinary shares represented by the ADSs offered in this offering will be passed upon for us by Maples and Calder. Certain legal matters as to PRC law will be passed upon for us by King & Wood and for the underwriters by Commerce & Finance Law Offices. Skadden, Arps, Slate, Meagher & Flom LLP may rely upon Maples and Calder with respect to matters governed by Cayman Islands law and King & Wood with respect to matters governed by PRC law. Davis Polk & Wardwell LLP may rely upon Commerce & Finance Law Offices with respect to matters governed by PRC law.

EXPERTS

The consolidated financial statements of 21Vianet Group, Inc. at December 31, 2009 and 2010, and for each of the three years in the period ended December 31, 2010, and the combined financial statements of Beijing Chengyishidai Network Technology Co., Ltd. and Zhiboxintong (Beijing) Network Technology Co., Ltd. at December 31, 2009 and September 30, 2010 and for the year and nine months then ended, appearing in this prospectus and registration statement have been audited by Ernst & Young Hua Ming, an independent registered public accounting firm, as set forth in their reports thereon appearing elsewhere herein, and are included in reliance upon such reports given on the authority of such firm as an expert in accounting and auditing.

The offices of Ernst & Young Hua Ming are located at 50/F, Shanghai World Financial Center, 100 Century Avenue, Shanghai, China, 200120.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form F-1, including relevant exhibits and securities under the Securities Act with respect to underlying ordinary shares represented by the ADSs, to be sold in this offering. We have also filed with the SEC a related registration statement on F-6 to register the ADSs. This prospectus, which constitutes a part of the registration statement, does not contain all of the information contained in the registration statement. You should read the registration statement on Form F-1 and its exhibits and schedules for further information with respect to us and our ADSs.

Immediately upon completion of this offering we will become subject to periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers. Accordingly, we will be required to file reports, including annual reports on Form 20-F, and other information with the SEC. For the fiscal years ending on or after December 31, 2011, we will be required to file our annual report on Form 20-F within 120 days after the end of each fiscal year. All information filed with the SEC can be obtained over the Internet at the SEC's website at www.sec.gov or inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You can request copies of these documents, upon payment of a duplicating fee, by writing to the SEC. Please call the SEC at 1-800-SEC-0330 or visit the SEC website for further information on the operation of the public reference rooms.

As a foreign private issuer, we are exempt from the rules of the Exchange Act prescribing the furnishing and content of proxy statements to shareholders, and our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. However, we intend to furnish the depositary with our annual reports, which will include a review of operations and annual audited consolidated financial statements prepared in conformity with U.S. GAAP, and all notices of shareholders' meetings and other reports and communications that are made generally available to our shareholders. The depositary will make such notices, reports and communications available to holders of ADSs and, upon our written request, will mail to all record holders of ADSs the information contained in any notice of a shareholders' meeting received by the depositary from us.

CONVENTIONS WHICH APPLY TO THIS PROSPECTUS

In this prospectus, unless otherwise indicated or the context otherwise requires, references to:

- "21Vianet Group," "we," "us," "our company," and "our" refer to 21Vianet Group, Inc., its subsidiaries and its consolidated affiliated entities;
- "ADSs" refers to our American depositary shares, each of which represents of our Class A ordinary shares;
- "China" or "PRC" refers to the People's Republic of China, excluding, for purposes of this prospectus only, Taiwan, Hong Kong and Macau;
- "ordinary shares" refers to, prior to the completion of this offering, our ordinary shares, par value US$0.00001 per share, and, upon the completion of this offering, our Class A and Class B ordinary shares, par value US$0.00001 per share;
- "preferred shares" refers to, collectively, our Series A1 preferred shares, Series A2 preferred shares, Series A3 preferred shares, Series B1 preferred shares, Series B2 preferred shares, and Series C1 preferred shares; "Series A preferred shares" refers to, collectively, our Series A1 preferred shares, Series A2 preferred shares and Series A3 preferred shares; "Series B preferred shares" refers to, collectively, our Series B1 preferred shares and Series B2 preferred shares; "Series C preferred shares" refers to the Series C1 Preferred Shares; and
- "Renminbi" or "RMB" refers to the legal currency of China.

Except as otherwise indicated, all information in this prospectus assumes no exercise by the underwriters of their option to purchase additional ADSs to cover over-allotments.

Unless the context indicates otherwise, all share and per share data in this prospectus give retrospective effect to a 10-for-1 share split that became effective on March 31, 2011.

Our financial statements are expressed in Renminbi, which is our reporting currency. Certain of our financial data in this prospectus are translated into U.S. dollars solely for your convenience. Unless otherwise noted, all translations from Renminbi to U.S. dollars in this prospectus were made at a rate of RMB6.6000 to US$1.00, the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board on December 30, 2010. We make no representation that any Renminbi or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or Renminbi, as the case may be, at any particular rate, at the rate stated above, or at all. For more information, see "Exchange Rate Information" on page 49 of the prospectus.

21VIANET GROUP, INC.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

BEIJING CHENGYISHIDAI NETWORK TECHNOLOGY CO., LTD. AND
ZHIBOXINTONG BEIJING NETWORK TECHNOLOGY CO., LTD.
INDEX TO COMBINED FINANCIAL STATEMENTS

INDEX TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and the Shareholders of
21Vianet Group, Inc.

We have audited the accompanying consolidated balance sheets of 21Vianet Group, Inc. (the "Company") as of December 31, 2009 and 2010, and the related consolidated statements of operations, cash flows and changes in shareholders' deficit and comprehensive loss for each of the three years in the period ended December 31, 2010. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company at December 31, 2009 and 2010 and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2010, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young Hua Ming
Shanghai, the People's Republic of China

March 1, 2011, except for Note 26(d), as to which the date is April 4, 2011

21VIANET GROUP, INC.

CONSOLIDATED BALANCE SHEETS

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$") except for number of shares and per share data)

	Note	As of December 31,			Pro Forma as of December 31,	
		2009	2010		2010	
		RMB	RMB	US$	RMB	US$
					(unaudited) (Note 2 (bb))	
ASSETS						
Current assets:						
Cash and cash equivalents		71,998	83,256	12,615		
Restricted cash		11,276	4,441	673		
Accounts receivable (net of allowance for doubtful accounts of RMB3,066 and RMB2,453 (US$371) as of December 31, 2009 and 2010, respectively)	5	40,262	76,373	11,572		
Prepaid expenses and other current assets	6	18,003	14,369	2,177		
Deferred tax assets	19	1,623	2,055	311		
Amounts due from related parties	21	70,676	13,463	2,040		
Total current assets		213,838	193,957	29,388		
Non-current assets:						
Property and equipment, net	7	99,103	197,015	29,851		
Intangible assets, net	8	17,161	157,086	23,801		
Goodwill	9	12,507	170,171	25,784		
Deferred tax assets	19	4,514	7,358	1,115		
Total non-current assets		133,285	531,630	80,551		
Total assets		347,123	725,587	109,939		
LIABILITIES AND SHAREHOLDERS' DEFICIT						
Current liabilities:						
Short-term bank borrowings	10	—	35,000	5,303		
Accounts payable		42,666	49,792	7,544		
Notes payable		1,276	4,441	673		
Accrued expenses and other payables	11	21,044	30,962	4,691		
Advances from customers		13,533	17,316	2,624		
Income tax payable		332	3,545	537		
Amounts due to related parties	21	231,670	53,679	8,133		
Current portion of capital lease obligations	12	5,213	15,824	2,398		
Total current liabilities		315,734	210,559	31,903		
Non-current liabilities:						
Amount due to a related party	21	—	126,331	19,141		
Non-current portion of capital lease obligations	12	7,123	58,190	8,817		
Unrecognized tax benefits	19	945	5,575	845		
Deferred tax liabilities	19	3,127	37,949	5,750		
Deferred government grants	13	—	5,400	818		
Total non-current liabilities		11,195	233,445	35,371		
Total liabilities		326,929	444,004	67,274		
Commitments and contingencies	25					

The accompanying notes are an integral part of these consolidated financial statements

21VIANET GROUP, INC.

CONSOLIDATED BALANCE SHEETS—(Continued)

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$") except for number of shares and per share data)

	Note	As of December 31,			Pro Forma as of December 31	
		2009	2010		2010	
		RMB	RMB	US$	RMB (unaudited) (Note 2 (bb))	US$
Mezzanine equity:						
Series A contingently redeemable convertible preferred shares (US$0.00001 par value; 70,000,000 shares authorized; 41,408,340 issued and outstanding as of December 31, 2009 and 2010)	14	355,680	355,680	53,891		
Series B contingently redeemable convertible preferred shares (US$0.00001 par value; 90,000,000 shares authorized; 69,557,840 issued and outstanding as of December 31, 2009 and 2010)	14	635,430	635,430	96,277		
Total mezzanine equity		991,110	991,110	150,168		
Shareholders' (deficit) equity:						
Ordinary shares (par value of US$0.00001 per share; 600,000,000 shares authorized; 71,526,320 and 96,352,410 shares issued and outstanding as of December 31, 2009 and 2010, respectively;)		5	7	1	—	—
Class B ordinary shares (par value of US$0.00001 per share; 300,000,000 shares authorized; 182,492,500 shares for pro forma (unaudited))		—	—	—	14	2
Additional paid-in capital		68,960	512,225	77,610	1,503,328	227,777
Accumulated other comprehensive income		716	1,474	224	1,474	224
Statutory reserves	15	10,422	14,143	2,143	14,143	2,143
Accumulated deficit		(1,068,004)	(1,357,747)	(205,719)	(1,357,747)	(205,719)
Total 21Vianet Group, Inc. shareholders' (deficit) equity		(987,901)	(829,898)	(125,741)	161,212	24,427
Non-controlling interest		16,985	120,371	18,238	120,371	18,238
Total shareholders' (deficit) equity		(970,916)	(709,527)	(107,503)	281,583	42,665
Total liabilities, mezzanine equity and shareholders' (deficit) equity		347,123	725,587	109,939		

The accompanying notes are an integral part of these consolidated financial statements

21VIANET GROUP, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$") except for number of shares and per share data)

	Note	For the year ended December 31,			
		2008	2009	2010	
		RMB	RMB	RMB	US$
Net revenues					
Hosting and related services		213,181	284,780	374,946	56,810
Managed network services		27,590	28,855	150,257	22,766
Total net revenues		240,771	313,635	525,203	79,576
Cost of revenues		(174,598)	(229,304)	(396,858)	(60,130)
Gross profit		66,173	84,331	128,345	19,446
Operating expenses:					
Sales and marketing expenses		(21,125)	(24,132)	(51,392)	(7,787)
General and administrative expenses		(31,823)	(25,457)	(282,298)	(42,772)
Research and development costs		(5,858)	(7,607)	(19,924)	(3,019)
Changes in the fair value of contingent purchase consideration payable		—	—	(7,537)	(1,142)
Operating profit (loss)		7,367	27,135	(232,806)	(35,274)
Interest income		1,643	827	580	88
Interest expense		(1,297)	(416)	(2,793)	(423)
Other income		2,294	694	1,152	175
Other expenses		(1,123)	(1,207)	(906)	(137)
Foreign exchange gain		5,545	88	1,646	249
Profit (loss) from continuing operations before income taxes		14,429	27,121	(233,127)	(35,322)
Income tax (expense) benefit	19	(3,821)	32,860	(1,588)	(241)
Net profit (loss) from continuing operations		10,608	59,981	(234,715)	(35,563)
Loss from discontinued operations	20	(28,566)	(63,910)	(12,952)	(1,962)
Net loss		(17,958)	(3,929)	(247,667)	(37,525)
Net profit attributable to non-controlling interest		(295)	(1,990)	(7,722)	(1,170)
Net loss attributable to the Company's ordinary shareholders		(18,253)	(5,919)	(255,389)	(38,695)

The accompanying notes are an integral part of these consolidated financial statements

21VIANET GROUP, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS—(Continued)

	Note	For the year ended December 31, 2008 RMB	2009 RMB	2010 RMB	2010 US$
Earnings (loss) per share:					
Net profit (loss) from continuing operations		RMB 0.14	RMB 0.81	RMB (3.39)	US$ (0.51)
Loss from discontinued operations		RMB (0.40)	RMB (0.89)	RMB (0.18)	US$ (0.03)
Basic	23	RMB (0.26)	RMB (0.08)	RMB (3.57)	US$ (0.54)
Net profit (loss) from continuing operations		RMB 0.06	RMB 0.32	RMB (3.39)	US$ (0.51)
Loss from discontinued operations		RMB (0.16)	RMB (0.35)	RMB (0.18)	US$ (0.03)
Diluted	23	RMB (0.10)	RMB (0.03)	RMB (3.57)	US$ (0.54)
Shares used in earnings (loss) per share computation:					
Basic	23	71,526,320	71,526,320	71,526,320	71,526,320
Diluted	23	182,492,500	182,492,500	71,526,320	71,526,320
Pro forma loss per share (unaudited):					
Loss from continuing operations				RMB (1.33)	US$ (0.20)
Loss from discontinued operations				RMB (0.07)	US$ (0.01)
Basic	23			RMB (1.40)	US$ (0.21)
Loss from continuing operations				RMB (1.33)	US$ (0.20)
Loss from discontinued operations				RMB (0.07)	US$ (0.01)
Diluted	23			RMB (1.40)	US$ (0.21)
Weighted average number of ordinary shares used in pro forma earnings per share computation (unaudited):					
Basic	23			182,492,500	182,492,500
Diluted	23			182,492,500	182,492,500

The accompanying notes are an integral part of these consolidated financial statements

21VIANET GROUP, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$"))

	For the year ended December 31,			
	2008	2009	2010	
	RMB	RMB	RMB	US$
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit from continuing operations	10,608	59,981	(234,715)	(35,563)
Loss from discontinued operations	(28,566)	(63,910)	(12,952)	(1,962)
Adjustments to reconcile net loss to net cash (used in) generated from operating activities:				
Foreign exchange gain	(5,545)	(88)	(1,646)	(249)
Compensation expense paid on behalf of the Company by aBitCool Inc. (Note 17)	4,482	—	—	—
Changes in the fair value of contingent purchase consideration payable	—	—	7,537	1,142
Depreciation of property and equipment	18,101	22,813	21,854	3,311
Amortization of intangible assets	4,392	6,198	11,658	1,766
Loss on disposal of property and equipment	422	1,024	759	115
Loss on disposal of intangible assets	—	—	43	7
Provision for doubtful accounts	339	1,078	1,097	166
Stock based compensation expense	—	—	277,881	42,103
Deferred income taxes	(10,887)	(4,989)	(9,050)	(1,371)
Changes in operating assets and liabilities:				
Accounts receivable	(27,871)	(1,526)	(24,892)	(3,772)
Prepayments and other current assets	3,660	(2,535)	5,481	830
Amount due from related parties	2,725	(1,710)	(7,862)	(1,191)
Accounts payable	17,150	11,373	(7,441)	(1,127)
Unrecognized tax benefits	7,986	(28,368)	4,271	647
Accrued expenses and other payables	(32,965)	2,291	6,103	925
Advances from customers	9,346	(3,063)	6,630	1,005
Income tax payable	(6,342)	332	1,474	223
Deferred government grants	—	—	5,400	818
Amount due to related parties	(17,452)	3,859	29,742	4,506
Net cash (used in) generated from operating activities	(50,417)	2,760	81,372	12,329
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property and equipment	(53,389)	(34,572)	(58,619)	(8,882)
Purchase of intangible assets	(12,215)	(468)	(730)	(111)
Deemed distribution for capital injection into certain carved-out entities (Note 1(b) (iv))	(36,000)	—	—	—
Proceeds from disposal of property and equipment	432	190	26,713	4,047
Acquisition of Managed Network Entities, net of cash acquired (Note 4)	—	—	(47,560)	(7,206)
Deemed distribution to the shareholders for the accounting disposal of the Non-IDC business of Shanghai Guotong Network Co., Ltd., net (Note 1(b)(iii))	—	—	36,564	5,540
Deemed contribution from shareholders for the accounting disposal of the Non-IDC business of Guangzhou Juliang Internet information Technology Co., Ltd., net (Note 1(b)(iii))	—	—	3,716	563
Deemed contribution from the shareholders for the legal disposal of certain carved-out entities (Note 1(b)(iv))	—	—	39,300	5,955
Net cash used in investing activities	(101,172)	(34,850)	(616)	(94)

The accompanying notes are an integral part of these consolidated financial statements

21VIANET GROUP, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS—(Continued)

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$"))

	For the year ended December 31,			
	2008	2009	2010	
	RMB	RMB	RMB	US$
CASH FLOWS FROM FINANCING ACTIVITIES				
Restricted cash	—	(11,276)	6,835	1,036
Proceeds from issuance of ordinary shares	—	—	17	3
Amount due to related parties	182,184	40,026	(111,350)	(16,871)
Proceeds from short-term bank borrowings	—	—	55,000	8,333
Repayment of short-term bank borrowings	—	—	(20,000)	(3,030)
Capital contribution by non-controlling interest upon incorporation of Shanghai Wantong ViaNet Information Technology Co., Ltd (Note 1(a)(vi))	14,700	—	—	—
Net cash generated from (used in) financing activities	196,884	28,750	(69,498)	(10,529)
Net increase (decrease) in cash and cash equivalents	45,295	(3,340)	11,258	1,706
Cash and cash equivalents at beginning of year	30,043	75,338	71,998	10,909
Cash and cash equivalents at end of year	75,338	71,998	83,256	12,615

The accompanying notes are an integral part of these consolidated financial statements

21VIANET GROUP, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS—(Continued)

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$"))

	2008	2009	2010	
	RMB	RMB	RMB	US$
Supplemental disclosures of cash flow information:				
Income taxes paid	—	(2,005)	(2,934)	(445)
Interest paid	(1,297)	(416)	(2,793)	(423)
Interest received	1,643	827	580	88
Supplemental disclosures of non-cash activities:				
Purchase of property and equipment through capital leases	—	12,336	61,678	9,345
Purchase of property and equipment included in accrued expenses and other payables	19,577	(15,784)	(1,122)	(170)
Purchase of intangible assets included in accrued expenses and other payables	376	61	(229)	(35)
Purchase of property and equipment included in notes payable	—	1,276	3,165	480
Purchase of property and equipment included in amount due to related parties	—	—	27,633	4,187
Disposal of property and equipment included in amount due from related parties	—	—	(5,913)	(896)
Disposal of intangible assets included in amount due from related parties	—	—	(917)	(139)
Deemed contribution from the shareholders for the legal disposal of Shanghai Guotong Network Co., Ltd. included in the amount due from related parties (Note 1(b)(iii))	—	(68,960)	—	—
Contingent consideration of acquisition of Managed Network Entities included in the amount due to related parties (Note 4(b))	—	—	136,741	20,718
Call option to purchase the remaining 49% equity interests in the Managed Network Entities (Note 4(b))	—	—	(6,765)	(1,025)
Waiver of liability from the shareholder (Note 21(c))	—	—	(116,069)	(17,586)

The accompanying notes are an integral part of these consolidated financial statements

21VIANET GROUP, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT AND COMPREHENSIVE LOSS

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$") except for number of shares)

	Note	Number of ordinary shares	Ordinary shares	Additional paid-in capital	Accumulated other comprehensive income	Statutory reserves	Accumulated deficit	Total 21Vianet Group, Inc. shareholders' equity	Non-controlling interest	Total shareholders' deficit
			RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB
Balance as of January 1, 2008		71,526,320	5	25,604	223	10,000	(402,066)	(366,234)	—	(366,234)
Comprehensive loss:										
Net loss		—	—	—	—	—	(18,253)	(18,253)	295	(17,958)
Foreign currency translation adjustments		—	—	—	485	—	—	485	—	485
Total comprehensive loss										(17,473)
Compensation expenses paid on behalf of the Company by aBitCool Inc.	17	—	—	4,482	—	—	—	4,482	—	4,482
Capital contributed by non-controlling interest upon incorporation of Shanghai Wantong ViaNet Information Technology Co., Ltd	1(a)(vi)	—	—	—	—	—	—	—	14,700	14,700
Deemed distribution for capital injection into certain carved-out entities	1(b)(iv)	—	—	(4,482)	—	—	(31,518)	(36,000)	—	(36,000)
Deemed issuance of aBitCool Inc.'s Series B contingently redeemable convertible preferred shares	1(b)(v)	—	—	(25,604)	—	—	(609,826)	(635,430)	—	(635,430)
Appropriation of statutory reserves		—	—	—	—	48	(48)	—	—	—
Balance as of December 31, 2008		71,526,320	5	—	708	10,048	(1,061,711)	(1,050,950)	14,995	(1,035,955)
Comprehensive loss:										
Net loss		—	—	—	—	—	(5,919)	(5,919)	1,990	(3,929)
Foreign currency translation adjustments		—	—	—	8	—	—	8	—	8
Total comprehensive loss										(3,921)
Deemed contribution from the shareholders for the legal disposal of Shanghai Guotong Network Co., Ltd	1(b)(iii)	—	—	68,960	—	—	—	68,960	—	68,960
Appropriation of statutory reserves		—	—	—	—	374	(374)	—	—	
Balance as of December 31, 2009		71,526,320	5	68,960	716	10,422	(1,068,004)	(987,901)	16,985	(970,916)

The accompanying notes are an integral part of these consolidated financial statements

21VIANET GROUP, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT AND COMPREHENSIVE LOSS—(Continued)

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$") except for number of shares)

	Note	Number of ordinary shares	Ordinary shares	Additional paid-in capital	Accumulated other comprehensive income	Statutory reserves	Accumulated deficit	Total 21Vianet Group, Inc. shareholders' equity	Non-controlling interest	Total shareholders' deficit
			RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB
Comprehensive loss:										
Net loss		—	—	—	—	—	(255,389)	(255,389)	7,722	(247,667)
Foreign currency translation adjustments		—	—	—	758	—	—	758	—	758
Total comprehensive loss										(246,909)
Acquisition of the Managed Network Entities	4(b)	—	—	—	—	—	—	—	98,019	98,019
Call option to purchase the remaining 49% equity interests in the Managed Network Entities	4(b)	—	—	—	—	—	—	—	(6,765)	(6,765)
Additional paid in capital upon the reorganization		—	—	17	—	—	—	17	—	17
Capital contributed by non-controlling Interest		—	—	—	—	—	—	—	4,410	4,410
Share based compensation	18	24,826,090	2	277,879	—	—	—	277,881	—	277,881
Deemed distribution to the shareholders for the accounting disposal of the Non-IDC business of Shanghai Guotong Network Co., Ltd.	1(b)(iii)	—	—	—	—	—	(27,869)	(27,869)	—	(27,869)
Deemed contribution from shareholders for the legal disposal of Guangzhou Juliang Internet Information Technology Co., Ltd.	1(b)(iii)	—	—	10,000	—	—	—	10,000	—	10,000
Deemed distribution to the shareholders for the accounting disposal of the Non-IDC business of Guangzhou Juliang Internet Information Technology Co., Ltd.	1(b)(iii)	—	—	—	—	—	(2,764)	(2,764)	—	(2,764)
Deemed contribution from the shareholders for the legal disposal of certain carved-out entities	1(b)(iv)	—	—	39,300	—	—	—	39,300	—	39,300
Waiver of liability from the shareholder	21(c)	—	—	116,069	—	—	—	116,069	—	116,069
Appropriation of statutory reserves		—	—	—	—	3,721	(3,721)	—	—	—
Balance as of December 31, 2010		96,352,410	7	512,225	1,474	14,143	(1,357,747)	(829,898)	120,371	(709,527)
Balance as of December 31, 2010, in US$'000		96,352,410	1	77,610	224	2,143	(205,719)	(125,741)	18,238	(107,503)

The accompanying notes are an integral part of these consolidated financial statements

21VIANET GROUP, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION

21Vianet Group, Inc. (the "Company") was incorporated under the laws of the Cayman Islands on October 16, 2009. Upon incorporation, the Company was wholly owned by aBitCool Inc. ("aBitCool"), a company which is owned by a group of four ordinary shareholders.

The Company through its subsidiaries and consolidated variable interest entities (as disclosed in the table below) are principally engaged in the provision of Internet Data Center services ("IDC" or "IDC Business"), and, prior to the reorganization (as discussed below) and to a much lesser extent, the provision of Content Delivery Network and other IT related services ("CDN" or "Non-IDC Business") in the People's Republic of China (the "PRC").

(a) As of December 31, 2010, subsidiaries of the Company and its consolidated variable interest entities where the Company is the primary beneficiary includes the following entities:

Entity	Date of incorporation/ Acquisition	Place of incorporation	Percentage of direct ownership by the Company	Principal activities
Subsidiaries:				
21ViaNet Group Limited ("21Vianet HK")	May 25, 2007	Hong Kong	100%	Investment holding
21ViaNet Data Center Co., Ltd. ("21Vianet China") *	June 12, 2000	PRC	100%	Provision of Technical and Consultation services and rental of long-lived assets
Variable Interest Entity (the "VIE")				
Beijing aBitCool Network Technology Co., Ltd. ("21Vianet Technology") */**	October 22, 2002	PRC	—	Provision of internet data center and content delivery network services
Held directly by 21Vianet Technology:				
Beijing 21ViaNet Broad band Data Center Co., Ltd ("21Vianet Beijing") */**	March 15, 2006	PRC	—	Provision of internet data center and managed network services
Held directly by 21Vianet Beijing:				
Shanghai Wantong ViaNet Information Technology Co., Ltd ("Shanghai Wantong")*/**	February 20, 2008	PRC	—	Provision of internet data center services
21ViaNet Xi'an BPO Service Co., Ltd. ("Xi'an Sub")*/**	June 23, 2008	PRC	—	Provision of internet data center services
Beijing Chengyishidai Network Technology Company Limited ("CYSD") */**	September 30, 2010	PRC	—	Provision of managed network services
Zhiboxintong (Beijing) Network Technology Company Limited ("ZBXT") */**	September 30, 2010	PRC	—	Provision of managed network services

21VIANET GROUP, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Entity	Date of incorporation/ Acquisition	Place of incorporation	Percentage of direct ownership by the Company	Principal activities
Beijing Bozhiruihai Network Technology Co., Ltd. */**	September 30, 2010	PRC	—	Provision of managed network services
Beijing Bikonghengtong Network Technology Co., Ltd. */**	September 30, 2010	PRC	—	Provision of managed network services
Xingyunhengtong Beijing Network Technology Co., Ltd. */**	September 30, 2010	PRC	—	Provision of managed network services
Fuzhou Yongjiahong Telecommunication Co., Ltd. */**	September 30, 2010	PRC	—	Provision of managed network services
Jiu Jiang Zhongyatonglian Network Technology Co., Ltd. */**	November 16, 2010	PRC	—	Provision of managed network services

* Collectively “PRC Subsidiaries”
** Collectively “Consolidated VIE”

(i) 21Vianet China was established in Beijing City of the PRC on June 12, 2000 as a foreign enterprise.

(ii) 21Vianet Technology was incorporated in Beijing City of the PRC by two of its employees (“Nominee Shareholders”) on October 22, 2002. 21Vianet China and the Nominee Shareholders entered into a series of contractual arrangements with 21Vianet Technology, including the Exclusive Technical Consulting and Service Agreement, the Loan Agreement, the Power of Attorney Agreement and the Share Pledge Agreement on July 15, 2003 and the Exclusive Option Agreement in December 19, 2006 (collectively, the “VIE Agreements”), which collectively obligated the Company, through 21Vianet China, as the primary beneficiary of 21Vianet Technology, a variable interest entity to the Company.

(iii) 21Vianet Beijing was incorporated in Beijing City of the PRC by two of its employees on March 15, 2006 with registered capital of RMB1 million. On July 15, 2006, the two employees transferred all the equity interests of 21Vianet Beijing held by them to 21Vianet Technology, in exchange for RMB1 million thereby becoming a wholly-owned subsidiary of 21Vianet Technology.

(iv) On June 22, 2007, the Company through 21Vianet Beijing completed its share purchase and sales agreement with Shanghai Guotong Telecommunication Co., Ltd, a third party, to acquire 100% equity interest of SH Guotong (Note 4 (a)).

(v) On January 4, 2008, GZ Juliang was incorporated in Guangzhou City of the PRC by 21Vianet Technology as a wholly-owned subsidiary.

(vi) On February 20, 2008, Shanghai Wantong was incorporated in Shanghai City of the PRC by 21Vianet Beijing (51%) and a third party investor (49%).

(vii) On June 23, 2008, Xi’an Sub was incorporated in Xi’an City of the PRC by 21Vianet Beijing as a wholly owned subsidiary.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

(viii) On September 30, 2010, the Company through its VIE, 21Vianet Beijing, acquired 51% of the following entities (collectively referred to "Managed Network Entities") from Beijing Shi Dai Tong Lian Technology Co., Ltd. ("Shi Dai Tong Lian"), a third party company controlled by Mr. Cheng Ran (Note 4(b)).

Entity	Date of Acquisition	Place of incorporation	Principal activities
Beijing Chengyishidai Network Technology Company Limited ("CYSD")	September 30, 2010	PRC	Provision of managed network services
Zhiboxintong (Beijing) Network Technology Company Limited ("ZBXT")	September 30, 2010	PRC	Provision of managed network services
Wholly owned by ZBXT:			
Beijing Bozhiruihai Network Technology Co., Ltd.	September 30, 2010	PRC	Provision of managed network services
Beijing Bikonghengtong Network Technology Co., Ltd.	September 30, 2010	PRC	Provision of managed network services
Xingyunhengtong Beijing Network Technology Co., Ltd.	September 30, 2010	PRC	Provision of managed network services
Fuzhou Yongjiahong Telecommunication Co., Ltd.	September 30, 2010	PRC	Provision of managed network services

(ix) On November 16, 2010, Jiu Jiang Zhongyatonglian Network Technology Co., Ltd. was incorporated in Jiu Jiang City of the PRC by CYSD as a wholly-owned subsidiary.

As more fully described below, through a series of transactions which are accounted for as a reorganization of entities where the transactions were deemed to lack substance and accounted for in a manner similar to a pooling-of interest, the Company became the ultimate parent entity of such subsidiaries and consolidated variable interest entity by October 31, 2010. Accordingly, the accompanying consolidated financial statements have been prepared as if the current corporate structure had been in existence throughout the periods presented.

Prior to the reorganization, the Company's IDC and Non-IDC operations were conducted by aBitCool, substantially all of which was conducted through the same subsidiaries and variable interest entities set forth above. In addition, aBitCool was also engaged in other insignificant business operations, which were dissimilar and incidental to the core IDC Business, through five subsidiaries/investee of certain of the above entities, which have insignificant assets, liabilities and operating results since their inception. aBitCool also issued Series A contingently redeemable convertible preferred shares in 2006, 2007 and 2008 and Series B contingently redeemable convertible preferred shares in 2007 and 2008, to a number of third party investors, the proceeds of which had been used to finance the operations and investing activities of these business through a series of intercompany loans.

(b) In preparation of its planned IPO for the IDC business, the Company undertook the following transactions to reorganize the structure of the listing group:

(i) On January 13, 2010, aBitCool transferred all of its 100% equity interest in 21Vianet HK to the Company in exchange for a cash consideration of HK$1.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

(ii) On February 21, 2010, aBitCool transferred all of its 100% equity interest in 21ViaNet China to 21Vianet HK in exchange for a cash consideration of US$1.

(iii) On April 30, 2009 and March 1, 2010, 21Vianet Beijing legally disposed SH Guotong and GZ Juliang to the nominee shareholders of aBitCool, in return for cash consideration of RMB68,960,000 and RMB10,000,000. Subsequent to their legal disposal, the Company continued to manage the operations of SH Guotong and GZ Juliang, therefore not meeting all of the carve-out criteria pursuant to the Staff Accounting Bulletin ("SAB") Topic 5.Z.7 and as such, was required to continue consolidating all of SH Guotong's results of operations. Accordingly, the receipt of cash consideration for the legal disposal of SH Guotong and GZ Juliang is recorded as a deemed contribution from the shareholders.

SH Guotong—SH Guotong's operations had historically comprised the IDC and Non-IDC Businesses since its acquisition on June 22, 2007. The divestiture of the Company's Non-IDC Business to its ultimate shareholders was contemplated as part of the Company's corporate restructuring pursuant to their ultimate IPO plans of the IDC Business. As part of the restructuring, 21 Vianet Beijing (i) on April 30, 2009 legally disposed of SH Guotong to the nominee shareholders of aBitCool, in return for cash consideration of RMB68,960,000, which was subsequently settled in September 2010 and recorded in amounts due from related parties as of December 31, 2009 and (ii) on March 31, 2010, legally repurchased the IDC Business' long-lived assets, employees, and sales agreements of SH Guotong from same nominee shareholders of aBitCool for a cash consideration of RMB1,426,000. From the date of the disposal to date of repurchase, SH Guotong remained under the ownership of the same shareholder group and management of the Company continued to managed both SH Guotong's IDC and Non-IDC Businesses. As such, the Company concluded that there was no substance to the legal disposal, other than part of the plan to effect a divestiture of the Non-IDC Business of SH Guotong to the Company's ultimate shareholders. The cash consideration exchanged for the disposal and repurchase was required under the prevailing PRC tax regulations for the disposal of equity interests or assets, and was recorded as a deemed contribution and distribution from and to shareholders, respectively. On March 31, 2010, when in substance, the Non-IDC Business was disposed to the Company's ultimate shareholders, the Company deconsolidated the net assets of SH Guotong's Non-IDC Business at their respective carrying values totaling RMB27,869,000, which was recorded as a deemed distribution to the shareholders. On the same date, the divested Non-IDC Business qualified for discontinued operation in accordance with ASC 205-20 "Discontinued Operations", and its operating results have been accordingly presented in the consolidated statements of operations for all years presented (Note 20).

GZ Juliang—GZ Juliang's operations had historically comprised the IDC and Non-IDC Businesses since its incorporation on January 4, 2008. The divestiture of the Company's Non-IDC Business to its ultimate shareholders was contemplated as part of the Company's corporate restructuring pursuant to their ultimate IPO plans of the IDC Business. As part of the restructuring, 21 Vianet Beijing (i) on March 1, 2010 legally disposed of GZ Juliang to the nominee shareholders of aBitCool, in return for cash consideration of RMB10,000,000, which was subsequently settled in August 2010 and (ii) on March 31, 2010, legally repurchased the IDC Business' long-lived assets, employees, and sales agreements of GZ Juliang from same nominee shareholders of aBitCool for a cash consideration of RMB858,000. From the date of the disposal to date of repurchase, GZ Juliang remained under the ownership of the same shareholder group and management of the Company continued to manage both GZ Juliang's IDC and Non-IDC Businesses. As such, the Company concluded that there was no substance to the legal disposal, other than part of the plan to effect a divestiture of the Non-IDC Business of GZ Juliang to the Company's ultimate shareholders. The cash consideration exchanged for the disposal and repurchase was required under the prevailing PRC tax regulations for the disposal of equity interests or assets, and was recorded as a deemed contribution and distribution from and to shareholders, respectively. On March 31, 2010, when in substance, the Non-IDC Business was disposed to the Company's ultimate shareholders, the Company deconsolidated the net assets

of GZ Juliang's Non-IDC Business at their respective carrying values totalling RMB2,764,000, which was recorded as a deemed distribution to the shareholders. On the same date, the divested Non-IDC Business qualified for discontinued operation in accordance with ASC 205-20 , and its operating results have been accordingly presented in the consolidated statements of operations for all years presented (Note 20).

(iv) Four subsidiaries of 21Vianet Beijing and one associate of 21Vianet Technology were also engaged in other insignificant business operations, which were dissimilar and incidental to the Company's core IDC Business. In accordance with the SAB Topic 5.Z.7, the historical operating results, assets and liabilities of these five entities have not been included in these historical financial statements of the Company because (i) these entities were operated and managed autonomously by a management team different from that of the Company and will continue to do so into the foreseeable future; (ii) these entities are dissimilar to the Company in terms of their business models, revenue streams and customer bases and (iii) these entities incurred only incidental costs and facilities with the Company.

In 2008, 21Vianet Beijing injected RMB36,000,000 of capital into two of these entities that have been carved out of these historical financial statements, and as such, the amount is recorded as a deemed distribution to shareholders.

In 2010, 21Vianet Beijing and 21Vianet Technology legally disposed two carved-out subsidiaries and a carved-out associate, to aBitCool, for cash consideration of RMB36,000,000 and RMB3,300,000, respectively. As these entities have already been carved out of these consolidated financial statements, the cash consideration received was recorded as a deemed contribution from shareholders.

(v) On October 31, 2010, the Company repurchased and cancelled all of its ordinary shares from aBitCool and concurrently issued 71,526,320 ordinary shares and 110,966,180 preferred shares (Note 14) to the same group of ordinary and preferred shareholders of aBitCool at nominal value, based on the same respective ordinary and preferred shareholders' ownership percentage. These ordinary shares and preferred shares carried the same rights and obligations as those issued by aBitCool, except that the number of preferred shares issued by the Company was determined by applying (i) the relative fair value percentage of the IDC Business (when compared to the Non-IDC Business) of 85% as of October 31, 2010 to (ii) the total number of outstanding preferred shares of aBitCool. The number of preferred shares outstanding of aBitCool was also correspondingly adjusted. The initial carrying values of the preferred shares of the Company were based on the estimated fair values at issuance date in accordance with Accounting Standards Codification ("ASC") Subtopic 480-10-S99-3A *"Classification and Measurement of Redeemable Securities"* (Note 14). As no consideration was received for the issuance of the preferred shares, the issuance was recorded as a distribution to shareholders.

On the same date, in preparation for the intended Qualified IPO, the shareholders and Board of the Company approved certain resolutions which only become effective upon the closing of a Qualified IPO effecting certain amendments to the authorised and issued share capital of the Company as follows:

(1) The share capital of the Company will be divided into (i) 300,000,000 Class A Ordinary Shares with a par value of US$0.00001 each (the "Class A Ordinary Shares"), (ii) 300,000,000 Class B Ordinary Shares with a par value of US$0.00001 each (the "Class B Ordinary Shares") and (iii) 160,000,000 preferred shares with a par value of US$0.00001 each, of which (a) 40,000,000 shares are preferred shares designated as Series A1 contingently redeemable convertible preferred shares ("Series A1 Preferred Shares"), (b) 20,000,000 shares are preferred shares designated as Series A2 contingently redeemable convertible preferred shares ("Series A2 Preferred Shares") , (c) 10,000,000 shares are preferred shares designated as Series A3 contingently redeemable convertible preferred shares ("Series A3 Preferred Shares"),

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(d) 20,000,000 shares are redeemable preferred shares designated as Series B1 contingently redeemable convertible preferred shares ("Series B1 Preferred Shares") and (e) 70,000,000 shares are redeemable preferred shares designated as Series B2 contingently redeemable convertible preferred shares ("Series B2 Preferred Shares"), which is subsequently amended below;

(2) Holders of Class A Ordinary Shares and Class B Ordinary Shares are entitled to the same rights except for voting and conversion rights. In respect of matters requiring a shareholder's vote, each Class A Ordinary Share is entitled to one vote and each Class B Ordinary Share is entitled to 10 votes. Each Class B Ordinary Share is convertible into one Class A Ordinary Share at any time by the holder. Class A Ordinary Shares are not convertible into Class B Ordinary Shares under any circumstances. Upon any transfer of Class B Ordinary Shares by a holder to any person or entity which is not an affiliate of such holder, such Class B Ordinary Shares will be automatically converted into an equal number of Class A Ordinary Shares;

(3) All the then currently issued and outstanding 41,408,340 Series A Preferred Shares and 69,557,840 Series B Preferred Shares would be converted into Class B Ordinary Shares in accordance to the conversion rights; and

(4) All of the then currently issued and outstanding 71,526,320 ordinary shares would be re-designated as Class B Ordinary Shares.

Given there was no change in each shareholder's proportionate shareholdings and respective rights and obligations before and after the reorganization, the transaction was deemed to lack substance and accounted for in a manner similar to a pooling-of interest with the assets and liabilities stated at their historical amounts in the Company's consolidated financial statements. Accordingly, the accompanying consolidated financial statements have been prepared as if the current corporate structure had been in existence throughout the periods presented. Accordingly, the preferred shares issued by the Company are pushed back to all periods presented.

In addition, aBitCool and its shareholders formally agreed to waive the Company's obligation to repay its intercompany payable due to them in the amount of RMB115,266,000 (US$17,465,000) and as such, the waiver of the payable obligation was recorded as a contribution to additional paid-in-capital on October 31, 2010. The payable obligation has been presented as an amount due to a related party for all periods presented through to the date of the waiver.

(c) The following is a summary of the VIE agreements between 21Vianet Technology, the VIE, its Nominee Shareholders, and 21Vianet China, the primary beneficiary of 21Vianet Technology:

Exclusive option agreement

Pursuant to the exclusive option agreement amongst 21Vianet China and the Nominee Shareholders of 21Vianet Technology, the Nominee Shareholders granted the Company or its designated party, an exclusive irrevocable option to purchase all or part of the equity interests held by the Nominee Shareholders in 21Vianet Technology, when and to the extent permitted under PRC law, at an amount equal to RMB 1. 21Vianet Technology cannot declare any profit distributions or grant loans in any form without the prior written consent of the 21Vianet China. The Nominee Shareholders must remit in full any funds received from 21Vianet Technology to 21Vianet China, in the event any distributions are made by the 21Vianet Technology pursuant to any written consents of 21Vianet China.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Exclusive technical consulting and service agreement

Pursuant to the exclusive technical consulting and service agreement between 21Vianet China and the 21Vianet Technology, 21Vianet China is to provide exclusive management consulting services and internet technical services in return for fees based on of a predetermined hourly rate, which is adjustable at the sole discretion of 21Vianet China.

Loan agreement

21Vianet China provided a loan facility of RMB1,300,000 in 2003 to the Nominee Shareholders of 21Vianet Technology for the purpose of providing capital to 21Vianet Technology to develop its business. A related party also provided a loan facility of RMB8,700,000 in 2007 on behalf of 21Vianet China to the Nominee Shareholders for the additional capital injection. Such loan was subsequently repaid on the Nominee Shareholders' behalf by 21Vianet China in September 2010. 21Vianet China also agreed to provide unlimited financial support to 21Vianet Technology for its operations and agree to forego the right to seek repayment in the event 21Vianet Technology is unable to repay such funding.

Power of attorney agreement

The Nominee Shareholders entered into the power of attorney agreement whereby they granted an irrevocable proxy of the voting rights underlying their respective equity interests in the 21Vianet Technology to 21Vianet China, which includes, but are not limited to, all the shareholders' rights and voting rights empowered to the Nominee Shareholders by the company law and the Company's Articles of Association.

Share pledge agreement

Pursuant to the share pledge agreement between 21Vianet China and the Nominee Shareholders, the Nominee Shareholders have contemporaneously pledged all their equity interests in 21Vianet Technology to guarantee the repayment of the loan under the Loan Agreement between 21Vianet China and the Nominee Shareholders.

If 21Vianet Technology breaches its respective contractual obligations under the Share pledge agreement and the loan agreement, 21Vianet China, as pledgee, will be entitled to certain rights, including the right to sell the pledged equity interests. The Nominee Shareholders agreed not to transfer, sell, pledge, dispose of or otherwise create any new encumbrance on their equity interests in the 21Vianet Technology without the prior written consent of 21Vianet China.

Despite the lack of technical majority ownership, there exists a parent-subsidiary relationship between the Company and 21Vianet Technology through the irrevocable power of attorney agreement, whereby the Nominee Shareholders effectively assigned all of their voting rights underlying their equity interest in 21Vianet Technology to 21Vianet China. In addition, through the other aforementioned VIE agreements, the Company demonstrates its ability and intention to continue to exercise the ability to absorb substantially all of the expected losses and majority of the profits of 21Vianet Technology through 21Vianet China. Thus, the Company is also considered the primary beneficiary of 21Vianet Technology through 21Vianet China. As a result of the above, the Company consolidates 21Vianet Technology and its subsidiaries under by Accounting Standards Codification ("ASC") Subtopic 810-10 ("ASC 810-10") "*Consolidation: Overall*".

Subsequently, in September 2010, the following supplementary agreements were entered into:

21Vianet Group, Inc. agreed to provide unlimited financial support to 21Vianet Technology for its operations and agreed to forego the right to seek repayment in the event 21Vianet Technology is unable to repay

such funding. Concurrently, the agreement by 21Vianet China through the loan agreement to provide unlimited financial support to 21Vianet Technology is cancelled.

The Nominee Shareholders also re-signed the power of attorney agreement whereby they granted an irrevocable proxy of the voting rights underlying their respective equity interests in 21Vianet Technology to 21Vianet Group, Inc., which includes, but are not limited to, all the shareholders' rights and voting rights empowered to the Nominee Shareholders by the company law and the Company's Article of Association.

Accordingly, as a result of the power to direct the activities of 21Vianet Technology pursuant to the power of attorney agreement and the obligation to absorb the expected losses of 21Vianet Technology through the unlimited financial support, 21Vianet China ceased to be the primary beneficiary and 21Vianet Group, Inc. became the primary beneficiary of 21Vianet Technology in September 2010.

As of December 31, 2010, the aggregate carrying amounts of the total assets and total liabilities of the Consolidated VIE were RMB693,296,000 (US$105,045,000) and RMB453,760,000 (US$68,752,000), respectively. Except for certain computer and network equipment with carrying amounts of RMB35,621,000 that were pledged to secure banking borrowings granted to the Company (Note 7), there was no other pledge or collateralization of the Consolidated VIE's assets. Creditors of the Consolidated VIE have no recourse to the general credit of the Company, who is the primary beneficiary of the Consolidated VIE. The Company has not provided any financial or other support that it was not previously contractually required to provide to the Consolidated VIE during the periods presented.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP").

(b) Principles of Consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries and the Consolidated VIE for which the Company or a subsidiary of the Company is the primary beneficiary. All significant inter-company transactions and balances between the Company, its subsidiaries and the Consolidated VIE are eliminated upon consolidation. Results of acquired subsidiaries and its Consolidated VIE are consolidated from the date on which control is transferred to the Company.

(c) Use of estimates

The preparation of the consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Areas where management uses subjective judgment include, but are not limited to, estimating the useful lives of long-lived assets and intangible assets, assessing the initial valuation of the assets acquired and liabilities assumed in a business combination and the subsequent impairment assessment of long-lived assets, intangible assets and related goodwill, determining the provision for accounts receivable, accounting for deferred income taxes, and accounting for share-based compensation arrangements. The valuation of and accounting for the Company's financial instruments (Note 14) and purchase consideration (Note 4) also

requires significant estimates and judgments provided by management. The results of the continuing operations and discontinued operations are determined by using a combination of specific identification of revenues and certain costs as well as a reasonable allocation of the remaining costs using applicable cost drivers where specific identification is not determinable. 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.

(d) Foreign Currency

The functional currency of the Company and 21Vianet HK is the United States dollar ("US$"), whereas the functional currency of the Company's PRC subsidiaries and its Consolidated VIE is the Chinese Renminbi ("RMB") as determined based on the criteria of ASC 830, "*Foreign Currency Matters*". The Company uses the RMB as its reporting currency. Transactions denominated in foreign currencies are re-measured into the functional currency at the exchange rates prevailing on the transaction dates. Foreign currency denominated financial assets and liabilities are re-measured at the balance sheet date exchange rate. Exchange gains and losses are included in foreign exchange gains and losses in the consolidated statements of operations.

Assets and liabilities of the Company and 21Vianet HK are translated into RMB at fiscal year-end exchange rates. Income and expense items are translated at average exchange rates prevailing during the fiscal year. The resulting translation adjustments are recorded in other comprehensive loss, a component of shareholders' (deficit) equity.

(e) Convenience Translation

Amounts in United States dollars ("US$") are presented for the convenience of the reader and are translated at the noon buying rate of US$1.00 to RMB6.6000 on December 31, 2010 in the City of New York for cable transfers of RMB as certified for customs purposes by the Federal Reserve Bank of New York. No representation is made that the RMB amounts could have been, or could be, converted into US$ at such rate.

(f) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and demand deposits placed with banks or other financial institutions which are unrestricted as to withdrawal and use and have original maturities less than three months.

(g) Restricted cash

Restricted cash represents amounts held by a bank in escrow as security for notes payable and credit facilities that have yet to be drawn down and therefore are not available for the Company's use.

(h) Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are carried at net realizable value. An allowance for doubtful accounts is recorded in the period when loss is probable based on an assessment of specific evidence indicating troubled collection, historical experience, accounts aging and other factors. An accounts receivable is written off after all collection effort has ceased.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

(i) Deferred Initial Public Offering Costs

Direct costs incurred by the Company attributable to its proposed initial public offering of ordinary shares in the United States have been deferred and recorded in other current assets and will be charged against the gross proceeds received from such offering.

(j) Property and Equipment

Property and equipment are stated at cost and are depreciated using the straight-line method over the estimated useful lives of the assets, as follows:

Category	Estimated useful life
Buildings	25 years
Leasehold improvements	Over the shorter of lease term or the estimated useful lives of the assets
Computer and network equipment	5 years
Office equipment	5 years
Motor vehicles	5 years

Repair and maintenance costs are charged to expense as incurred, whereas the costs of betterments that extend the useful life of property and equipment are capitalized as additions to the related assets. Retirements, sale and disposals of assets are recorded by removing the cost and accumulated depreciation with any resulting gain or loss reflected in the consolidated statements of operations.

Property and equipment that are purchased or constructed which require a period of time before the assets are ready for their intended use are accounted for as construction-in-progress. Construction-in-progress is recorded at acquisition cost, including installation costs. Construction-in-progress is transferred to specific property and equipment accounts and commences depreciation when these assets are ready for their intended use. The Company did not incur significant capitalized interest during each of the three years ended December 31, 2010.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

(k) Intangible Assets

Intangible assets are carried at cost less accumulated amortization and any recorded impairment. Intangible assets acquired in a business combination are recognized initially at fair value at the date of acquisition. Intangible assets with finite useful lives, except for acquired customer relationships in the acquisition of the Managed Network Entities which is amortized using an accelerated method of amortization, are amortized using a straight-line method of amortization. These amortization methods reflect the estimated pattern in which the economic benefits of the respective intangible assets are to be consumed. The estimated useful life for the intangible assets is as follows:

Purchased software	3-5 years
Purchased customer contracts	0.1-1.8 years
Contract backlog*	1 year
Customer relationship*	4-8 years
Supplier relationship*	10 years
Licenses*	15-20 years
Trade Name*	15-20 years

* Acquired in the acquisition of SH Guotong and the Managed Network Entities (Note 4)

(l) Goodwill

Goodwill represents the excess of the purchase price over the amounts assigned to the fair value of the assets acquired and the liabilities assumed of an acquired business. The Company's goodwill at December 31, 2009 and 2010 were related to its acquisition of SH Guotong and Managed Network Entities (Note 4). In accordance with ASC 350, "*Goodwill and Other Intangible Assets,*" recorded goodwill amounts are not amortized, but rather are tested for impairment annually or more frequently if there are indicators of impairment present.

The performance of the impairment test involves a two-step process. The first step of the impairment test involves comparing the fair value of the reporting unit with its carrying amount, including goodwill. Fair value is primarily determined by computing the future discounted cash flows expected to be generated by the reporting unit. If the reporting unit's carrying value exceeds its fair value, goodwill may be impaired. If this occurs, the Company performs the second step of the goodwill impairment test to determine the amount of impairment loss.

The fair value of the reporting unit is allocated to its assets and liabilities in a manner similar to a purchase price allocation in order to determine the implied fair value of the reporting unit's goodwill. If the implied goodwill fair value is less than its carrying value, the difference is recognized an impairment loss.

In accordance with ASC 350, the Company assigned and assessed goodwill for impairment at the reporting unit level. A reporting unit is an operating segment or one level below the operating segment. Prior to the acquisition of Managed Network Entities, the Company has determined it has one reporting unit, the original IDC Business, which is also its only operating segment. Goodwill that has arisen as a result of the acquisition of SH Guotong is assigned to this reporting unit. Goodwill that has arisen as a result of the acquisition of Managed Network Entities has yet to be assigned, as the Company is still currently in process of evaluating the impact of the acquisition on its determination of its reporting unit and, accordingly, the allocation of net assets acquired, including goodwill.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

As of December 31, 2009 and 2010, the Company completed its annual impairment tests on goodwill that has arisen out of the acquisition of SH Guotong. The Company determined the fair value of the reporting unit, excluding the effects of the acquisition of the Managed Network Entities, using the income approach based on the discounted expected cash flows associated with the reporting unit. The discounted cash flows for the reporting unit were based on seven year projections. Cash flow projections were based on past experience, actual operating results and management best estimates about future developments as well as certain market assumptions. Cash flows after seven years were estimated using a terminal value calculation, which considered terminal value growth at 3%, considering the long term revenue growth for entities in a similar industry in the PRC. The discount rate of approximately 18% was derived and used in the valuations which reflect the market assessment of the risks specific to the Company and its industry and is based on its weighted average cost of capital. The resulting fair value of the reporting unit was higher than its carrying value, and as such, the Company was not required to complete the second step, therefore no impairment losses were recognized for each of the three years ended December 31, 2010.

(m) Impairment of Long-Lived Assets and Intangibles

The Company evaluates its long-lived assets or asset group, including intangible assets with finite lives, for impairment whenever events or changes in circumstances (such as a significant adverse change to market conditions that will impact the future use of the assets) indicate that the carrying amount of an asset or a group of long-lived assets may not be recoverable. When these events occur, the Company evaluates for impairment by comparing the carrying amount of the assets to future undiscounted net cash flows expected to result from the use of the assets and their eventual disposition. If the sum of the expected undiscounted cash flow is less than the carrying amount of the assets, the Company would recognize an impairment loss based on the excess of the carrying amount of the asset group over its fair value. Fair value is generally determined by discounting the cash flows expected to be generated by the assets, when the market prices are not readily available for the long-lived assets. No impairment charge was recognized for each of the three years ended December 31, 2010.

(n) Fair Value of Financial Instruments

The carrying amounts of financial assets and liabilities, such as cash and cash equivalents, restricted cash, accounts receivable, other receivables, short-term bank borrowings, accounts payable, balances with related parties and other payables, approximate their fair values because of the short maturity of these instruments. The Series A and Series B contingently redeemable convertible preferred shares are initially recognized at fair value (Note 14). No accretion is recorded as the Series A contingently redeemable convertible preferred shares are only contingently redeemable upon certain liquidation events and the initial fair value of the Series B contingently redeemable convertible preferred shares is greater than its redemption value. The contingent consideration in both cash and shares and the option to acquire the Company's ordinary shares are initially measured at fair value of the date of acquisition of the Managed Network Entities (Note 4(b)) and subsequently remeasured at the end of each reporting period with any adjustment to the fair value recorded to the current period expense. The call option to purchase the remaining 49% equity interest in the Managed Network Entities is initially measured at fair value and is recognized as part of non-controlling interest as it is an embedded feature in the Managed Network Entities' shares, which does not qualify for bifurcation accounting. The Company, with the assistance of an independent third party valuation firm, determined the estimated fair value of its preferred shares, the contingent consideration in both cash and shares, the option to acquire the Company's ordinary shares and the call option to purchase the remaining 49% equity interests in the Managed Network Entities, that are recognized in the consolidated financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

(o) Revenue Recognition

The Company hosts customers' servers and networking equipment, improving the performance, availability and security of their Internet services. The Company also provides managed network services to enable our customers to deliver data across Internet in a faster and more reliable manner through extensive data transmission network and BroadEx smart routing technology.

Consistent with the criteria of Staff Accounting Bulletin No. 104, "*Revenue Recognition*", the Company recognizes revenue from sales of these services when there is a signed sales agreement with fixed or determinable fees, services have been provided to the customer and collection of the resulting customer's receivable is reasonably assured.

The Company's services are provided under the terms of a one-year master service agreement, which will typically accompany a one-year term renewal option with the same terms and conditions. Customers can choose at the outset of the arrangement to either use the Company's services through a monthly fixed fee arrangement or choose a plan based on actual bandwidth or traffic volume used during the month at fixed pre-set rates. The Company recognizes and bills for revenue for excess usage, if any, in the month of its occurrence to the extent a customer's usage of the services exceeds their pre-set monthly fixed bandwidth usage and fee arrangements. The rates as specified in the master service agreements are fixed for the duration of the contract term and are not subject to adjustment.

The Company may charge its customers an initial set-up fee prior to the commencement of their services. The Company records these initial set-up fees as deferred revenue and recognizes revenue ratably over the period of the customer service agreement. Generally, all the Company's customers' service agreements will require some amount of initial set-up along with the selected service subscription.

Business tax on revenues earned from provision of services to customers is recorded as a deduction from gross revenues to derive net revenues in the same period in which the related revenue is recognized. Except for 21Vianet Beijing, Xi'an Sub and XingyunhengtongBeijing Network Technology Co., Ltd. which are subject to 5% business tax rate on their revenues, all the Company's other PRC subsidiaries and its Consolidated VIE are subject to a 3% business tax rate. The business tax expenses for the years ended December 31, 2008, 2009 and 2010 amounted to approximately RMB9,759,000, RMB11,862,000 and RMB20,519,000 (US$3,109,000), respectively.

(p) Cost of Revenues

Cost of revenues consists primarily of depreciation of the Company's long-lived assets, amortization of acquired intangible assets, maintenance, center rent expense, purchase of bandwidth and other overhead expenses directly attributable to the provision of the IDC services.

21Vianet China is subject to business tax and other surcharges on the revenues earned for exclusive business support, technical and consulting services provided to 21Vianet Technology, pursuant to the VIE agreements (Note 1(c)). Such business tax and other surcharges are charged to cost of revenues as the related technical, consulting and rental services are rendered.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

(q) Advertising Expenditures

Advertising expenditures are expensed as incurred and are included in sales and marketing expenses, which amounted to RMB1,730,000 and RMB4,934,000 and RMB3,468,000 (US$525,000) for the years ended December 31, 2008, 2009 and 2010, respectively.

(r) Research and Development Costs

Research and development costs consist primarily of payroll and related personnel costs for routine upgrades and related enhancements of the Company's services and network. Research and development costs are expensed as incurred.

(s) Government Grants

Government grants are provided by the relevant PRC municipal government authorities to subsidize the cost of certain research and development projects. The amount of such government grants are determined solely at the discretion of the relevant government authorities and there is no assurance that the Company will continue to receive these government grants in the future. Government grants are recognized when it is probable that the Company will comply with the conditions attached to them, and the grants are received. When the grant relates to an expense item, it is recognized in the statement of operations over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate, as a reduction of the related operating expense. Where the grant relates to an asset, it is recognized as deferred government grants and released to the statement of operations in equal amounts over the expected useful life of the related asset, when operational, as a reduction of the related depreciation expense.

(t) Leases

Leases are classified at the inception date as either a capital lease or an operating lease. The Company did not enter into any leases whereby it is the lessor for any of the periods presented. As the lessee, a lease is a capital lease if any of the following conditions exists: a) ownership is transferred to the lessee by the end of the lease term, b) there is a bargain purchase option, c) the lease term is at least 75% of the property's estimated remaining economic life, or d) the present value of the minimum lease payments at the beginning of the lease term is 90% or more of the fair value of the leased property to the lessor at the inception date. A capital lease is accounted for as if there was an acquisition of an asset and an incurrence of an obligation at the inception of the lease. The Company entered into capital leases for certain network equipments in the years ended December 31, 2009 and 2010.

All other leases are accounted for as operating leases wherein rental payments are expensed on a straight-line basis over the periods of their respective leases. The Company leases office space and employee accommodation under operating lease agreements. Certain of the lease agreements contain rent holidays and escalating rent. Rent holidays and escalating rent are considered in determining the straight-line rent expense to be recorded over the lease term. The lease term begins on the date of initial possession of the lease property for purposes of recognizing lease expense on a straight-line basis over the term of the lease. The Company also leases fibers optic cables for periods not exceeding three years.

(u) Income Taxes

The Company accounts for income taxes using the liability method. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax bases of assets and

liabilities using enacted tax rates that will be in effect in the period in which the differences are expected to reverse. The Company records a valuation allowance against deferred tax assets if, based on the weight of available evidence, it is more-likely-than-not that some portion, or all, of the deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company applies ASC 740, "*Accounting for Income Taxes*", to account for uncertainty in income taxes. ASC 740 prescribes a recognition threshold a tax position is required to meet before being recognized in the financial statements.

The Company has elected to classify interest and penalties related to unrecognized tax benefits, if and when required, as part of "income tax", in the consolidated statements of operations.

(v) Discontinued Operations

In accordance with ASC 205-20 "*Discontinued Operations*", when a component of an entity has been disposed of and the Company will no longer have significant continuing involvement in the operations of the component, the results of its operations should be classified as discontinued operations in the consolidated statement of operations for all periods presented.

(w) Share-Based Compensation

Share options granted to employees are accounted for under ASC 718, "Compensation—Stock Compensation", which requires that share-based awards granted to employees be measured based on the grant date fair value and recognized as compensation expense over the requisite service period (which is generally the vesting period) in the consolidated statements of operations. The Company has elected to recognize compensation expense using the straight-line method for all share options granted with service conditions that have a graded vesting schedule.

ASC 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from initial estimates. Forfeiture rate is estimated based on historical and future expectation of employee turnover rate and are adjusted to reflect future change in circumstances and facts, if any. Share-based compensation expense is recorded net of estimated forfeitures such that expense was recorded only for those share-based awards that are expected to vest. To the extent the Company revises this estimate in the future, the share-based payments could be materially impacted in the period of revision, as well as in following periods. During the year ended December 31, 2010, the Company estimated that the forfeiture rate for both the management and non-management employees of the Company was zero.

The Company, with the assistance of an independent third party valuation firm, determined the estimated fair value of the share options using the Black-Scholes pricing model (Note 18).

(x) Earnings Per Share

In accordance with ASC 260, "*Earnings per Share*", basic earnings per share is computed by dividing net loss attributable to ordinary shareholders by the weighted average number of unrestricted ordinary shares outstanding during the year using the two-class method. Under the two-class method, net income is allocated between ordinary shares and other participating securities based on their participating rights. The Company's Series A and Series B contingently redeemable convertible preferred shares (Note 14) are participating securities.

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For the periods presented herein, the computation of basic earnings per share using the two-class method is not applicable as the participating securities do not have contractual rights and obligations to share in the losses of the Company. Accordingly, both the profit from continuing operations and loss from discontinued operations are allocated to the ordinary shareholders in the computation of basic earnings per share. Diluted earnings per share for continuing operations is calculated by dividing net profit from continuing operations attributable to ordinary shareholders as adjusted for the effect of dilutive ordinary equivalent shares, if any, by the weighted average number of ordinary and dilutive ordinary equivalent shares outstanding during the period. Diluted earnings per share for discontinued operations is then calculated by dividing net loss from discontinued operations attributable to ordinary shareholders by the same number of potential ordinary shares determined in the earlier step. Contingently issuable shares are included in the computation of basic earnings per share only when there is no circumstance under which those shares would not be issued. Ordinary equivalent shares consist of the ordinary shares issuable upon the conversion of the Company's preferred shares using the if-converted method and ordinary shares issuable upon the exercise of the share options, using the treasury stock method. Ordinary share equivalents are excluded from the computation of diluted per share if their effects would be anti-dilutive. Pro forma basic and diluted net earnings per share are computed assuming the conversion of all preferred shares outstanding.

(y) Comprehensive Loss

Comprehensive loss is defined as the decrease in equity of the Company during a period from transactions and other events and circumstances excluding transactions resulting from investments by owners and distributions to owners. Comprehensive loss is reported in the statements of changes of shareholders' (deficit) equity. Accumulated other comprehensive loss of the Company includes foreign currency translation adjustments related to the Company and 21Vianet HK, whose functional currency is US$.

(z) Segment Reporting

The Company's chief operating decision-maker, who has been identified as the Chief Executive Officer, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Company as a whole and hence, the Company has only one operating and reportable segment. The Company operates and manages its IDC business as a single segment. As the Company's long-lived assets are substantially all located in the PRC and substantially all the Company's revenues are derived from within the PRC, no geographical segments are presented.

(aa) Employee Benefits

The full-time employees of the Company's PRC subsidiaries are entitled to staff welfare benefits including medical care, housing fund, pension benefits and unemployment insurance, which are governmental mandated defined contribution plans. These entities are required to accrue for these benefits based on certain percentages of the employees' respective salaries, subject to certain ceilings, in accordance with the relevant PRC regulations, and make cash contributions to the state-sponsored plans out of the amounts accrued.

(bb) Unaudited Pro Forma Shareholders' Equity

If an initial public offering is completed, all of the Series A and Series B contingently redeemable convertible preferred shares outstanding will automatically convert into Class B Ordinary Shares of the Company. Unaudited pro forma shareholders' equity as of December 31, 2010, as adjusted, for the assumed conversion of the redeemable convertible preferred shares, is set forth on the consolidated balance sheets.

Unaudited pro forma earnings per share for year ended December 31, 2010, as adjusted, for the assumed conversion of the Series A and Series B contingently redeemable convertible preferred shares as of January 1, 2010, is also set forth on the consolidated statements of operations (Note 23).

(cc) Recent Accounting Pronouncements

In October 2009, the FASB issued ASU 2009-13, which amends ASC 605-25, regarding revenue arrangements with multiple deliverables. ASU 2009-13 addresses how to determine whether an arrangement involving multiple deliverables contains more than one unit of accounting, and how the arrangement consideration should be allocated among the separate units of accounting. This ASU is effective for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. Early adoption is permitted. The Company does not expect the adoption of ASU 2009-13 will have a material impact on the Company's consolidated financial statements.

In October 2009, the FASB issued ASU 2009-14, which amends ASC985-605. The amendments in this ASU change the accounting model for revenue arrangements that include both tangible products and software elements. Transactions involving tangible products containing software components and non-software components those functions together to deliver the tangible product's essential functionality are no longer within the scope of the software revenue recognition guidance in ASC 985-605. In addition, the amendments in this ASU require that hardware components of a tangible product containing software components will always be excluded from software revenue recognition guidance. In that regard, the amendments in this ASU provide additional guidance on how to determine which software, if any, relating to the tangible product also would be excluded from the scope of the software revenue recognition guidance. The amendments in this ASU also provide guidance on how a vendor should allocate arrangement consideration between tangible products and software. This ASU will be effective for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. Early adoption is permitted. The Company does not expect the adoption of ASU 2009-13 will have a material impact on the consolidated financial statements.

In December 2010, the FASB issued an Accounting Standards Update ("ASU") No. 2010-28, Intangibles—Goodwill and Other (Topic 350) ("ASU 2010-28"). This ASU amends the Accounting Standards Codification ("ASC") Topic 350. ASU 2010-28 clarifies the requirement to test for impairment of goodwill. ASC Topic 350 requires that goodwill be tested for impairment if the carrying amount of a reporting unit exceeds its fair value. Under ASU 2010-28, when the carrying amount of a reporting unit is zero or negative an entity must assume that it is more likely than not that a goodwill impairment exists, perform an additional test to determine whether goodwill has been impaired and calculate the amount of that impairment. The modifications to ASC Topic 350 resulting from the issuance of ASU 2010-28 are effective for fiscal years beginning after December 15, 2010 and interim periods within those years. Early adoption is not permitted. The Company is currently assessing the potential impact, if any, of adopting this Update on its financial statements.

3. CONCENTRATION OF RISKS

(a) Credit risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents, accounts receivable, other receivables and amounts due from related parties. As of December 31, 2009 and 2010, RMB74,962,000 and RMB85,762,000 (US$12,994,000), respectively, were deposited with major financial institutions located in the PRC, and US$1,259,000 (RMB8,312,000) and US$293,000 (RMB1,935,000), respectively, were deposited with in the major financial

institutions located in the Hong Kong Special Administration Region. Management believes that these financial institutions are of high credit quality and continually monitors the credit worthiness of these financial institutions. Historically, deposits in Chinese banks are secure due to the state policy on protecting depositors' interests. However, China promulgated a new Bankruptcy Law in August 2006 that came into effect on June 1, 2007, which contains a separate article expressly stating that the State Council may promulgate implementation measures for the bankruptcy of Chinese banks based on the Bankruptcy Law. Under the new Bankruptcy Law, a Chinese bank may go into bankruptcy. In addition, since China's concession to the World Trade Organization, foreign banks have been gradually permitted to operate in China and have been significant competitors against Chinese banks in many aspects, especially since the opening of the Renminbi business to foreign banks in late 2006. Therefore, the risk of bankruptcy of those Chinese banks in which the Company has deposits has increased. In the event of bankruptcy of one of the banks which holds the Company's deposits, it is unlikely to claim its deposits back in full since it is unlikely to be classified as a secured creditor based on PRC laws.

(b) Business, supplier, customer, and economic risk

The Company participates in a relatively dynamic and competitive industry that is heavily reliant operation excellence of the services. The Company believes that changes in any of the following areas could have a material adverse effect on the Company's future financial position, result of operations or cash flows:

(i) Business Risk—Third parties may develop technological or business model innovations that address data centre and network requirements in a manner that is, or is perceived to be, equivalent or superior to the Company's services. If competitors introduce services that compete with, or surpass the quality, price or performance of the Company's services, the Company may be unable to renew its agreements with existing customers or attract new customers at the prices and levels that allow the Company to generate reasonable rates of return on its investment.

(ii) Supplier Risk—The Company's operations are dependent upon bandwidth and cabinet capacity provided by the third-party telecom carriers. There can be no assurance that the Company will be able to secure the cabinet and bandwidth supply from the third-party telecom carriers, neither the Company is adequately prepared for unexpected increases in bandwidth demands by its customers. The communications capacity the Company has leased, include cabinet and bandwidth, may become unavailable for a variety of reasons, such as physical interruption, technical difficulties, contractual disputes, or the financial health of its third-party providers. Any failure of these network providers to provide the capacity the Company requires may result in a reduction in, or interruption of, service to its customers. A significant portion of the Company's total bandwidth and cabinet resources are purchased from its four largest suppliers, who collectively accounted for 51%, 56% and 40% of the Company's total bandwidth and cabinet resources for the years ended December 31, 2008, 2009 and 2010, respectively.

(iii) Political, economic and social uncertainties. The Company's operations could be adversely affected by significant political, economic and social uncertainties in the PRC. Although the PRC government has been pursuing economic reform policies for more than 20 years, no assurance can be given that the PRC government will continue to pursue such policies or that such policies may not be significantly altered, especially in the event of a change in leadership, social or political disruption or unforeseen circumstances affecting the PRC political, economic and social conditions. There is also no guarantee that the PRC government's pursuit of economic reforms will be consistent or effective.

(iv) Regulatory restrictions. The applicable PRC laws, rules and regulations currently prohibit foreign ownership of companies that provide IDC services, including hosting and managed network services.

Accordingly, the Company's subsidiary, 21Vianet China is currently ineligible to apply for the required licenses for providing IDC services in China. As a result, the Company operates its IDC services in the PRC through its Consolidated VIE which holds the licenses and permits required to provide IDC services in the PRC. The PRC Government may also choose at anytime to block access to certain website operators which could also materially impact the Company's ability to generate revenue.

(c) Currency convertibility risk

The Company transacts substantially all its business in RMB, which is not freely convertible into foreign currencies. On January 1, 1994, the PRC government abolished the dual-rate system and introduced a single rate of exchange as quoted daily by the People's Bank of China (the "PBOC"). However, the unification of the exchange rates does not imply that the RMB may be readily convertible into US$ or other foreign currencies. All foreign exchange transactions continue to take place either through the PBOC or other banks authorized to buy and sell foreign currencies at the exchange rates quoted by the PBOC. Approval of foreign currency payments by the PBOC or other institutions requires submitting a payment application form together with suppliers' invoices, shipping documents and signed contracts.

(d) Foreign currency exchange rate risk

From July 21, 2005, the RMB is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. The appreciation of the RMB against US$ was approximately 6.4%, 0.1% and 3.0% in the years ended December 31, 2008, 2009 and 2010, respectively. While the international reaction to the appreciation of the RMB has generally been positive, there remains significant international pressure on the PRC Government to adopt an even more flexible currency policy, which could result in a further and potentially more significant appreciation of the RMB against the US$.

4. ACQUISITION OF SUBSIDIARIES

(a) SH Guotong

As a part of the Company's business expansion strategy to develop its IDC business in the PRC, the Company through 21Vianet Beijing, acquired SH Guotong on June 22, 2007 for an aggregate purchase price of RMB61,052,000 which was paid out in three installments by the Company in June 2007, September 2007 and October 2007.

Purchase consideration:	**RMB'000**
Payment of cash	27,584
Issuance of Series A2 contingently redeemable convertible preferred shares of aBitCool, a related company*	33,086
Direct transaction cost	382
Total fair value of purchase price consideration	61,052

* The consideration paid by aBitCool on behalf of the Company in its Series A2 Preferred Shares is accounted for as a contribution to additional paid-in capital. The Company determined the fair value of the preferred shares consideration with the assistance of an independent third party valuation firm.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed as at the date of acquisition:

	RMB'000
Current assets	43,865
Property and equipment, net	5,881
Purchased software	36
Contract backlog (Note 8)	370
Customer relationship (Note 8)	4,690
Licenses (Note 8)	160
Supplier relationship (Note 8)	8,310
Trade Name (Note 8)	2,220
Deferred tax assets, non-current	77
Total assets acquired	65,609
Accounts payable	3,442
Other current liabilities	9,622
Deferred tax liability, non-current	4,000
Total liabilities assumed	17,064
Net assets acquired	48,545
Goodwill (Note 9)	12,507
Total fair value of purchase price consideration	61,052

The results of operations of SH Guotong have been included in the consolidated statements of operations from the date of acquisition.

(b) Managed Network Entities

As a part of the Company's business expansion strategy into the provision of managed network services that are complementary to its core IDC business, the Company through 21Vianet Beijing, acquired a 51% equity interest in CYSD and ZBXT for total purchase consideration of RMB172,439,000, on September 30, 2010, as follows:

	RMB'000
Cash consideration (Note a)	50,000
Contingent consideration in cash* (Note c)	38,536
Contingent ordinary shares issuance (Note c and d)	75,494
Option to acquire the Company's ordinary shares* (Note b)	15,174
Less: Call option to purchase the remaining 49% equity interests in the Managed Network Entities	(6,765)
Total fair value of purchase price consideration	172,439

* The Company determined the fair value of the contingent consideration in cash and ordinary shares, the option to acquire the Company's ordinary shares and the call option with the assistance of an independent third party valuation firm.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Details on the purchase consideration are discussed as follows:

(a) The cash consideration was paid in September 2010.

(b) The Company issued an option to the Seller to acquire RMB25,000,000 of its ordinary shares at a fixed exercise price of US$8.61 per share, exercisable at any time through June 2012. As the option is indexed to the RMB:USD currency index in addition to its own shares, it is liability-classified and is remeasured at the end of each reporting period with an adjustment to fair value recorded to the results of operations with a corresponding credit in the “Amount due to related parties” balance within the Company’s statement of financial position (Note 21).

(c) The contingent consideration in both cash and shares are annually determined based on the achievement by the Managed Network Entities of certain revenue and net profit targets in accordance with the sales and purchase agreement for the fiscal years 2011, 2012 and 2013, as well as the successful negotiation of a country-wide fiber optic lease agreement with a third party that is critical to the expansion of their business. The above contingent consideration amounts were derived from the Company’s assessment of whether the Managed Network Entities will meet the certain contractually stipulated targets. Such contingent consideration amounts have been recorded in the “Amount due to related parties” balance within the Company’s statement of financial position (Note 21).

(d) In accordance with the sales and purchase agreement, if the option to acquire the Company’s ordinary shares per (b) above is exercised, any contingent consideration payable in shares, if and when the stipulated targets are achieved, would be reduced by the number of shares issued through the exercise of that option. As such, the valuation of the contingent consideration payable in shares represents the fair value of the contingent share consideration payable that is in excess of the shares issuable as discussed in (b) above. As the contingent consideration in shares is not considered to be indexed to its own shares since the settlement amount is determined based on the agreed targets discussed in (c) above, it is liability-classified and is remeasured at the end of each reporting period with an adjustment for fair value recorded to the current period expense.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed as the date of acquisition:

	RMB'000
Current assets	18,500
Property and equipment, net	22,719
Contract backlog (Note 8)	2,540
Customer relationship (Note 8)	44,607
Supplier relationship (Note 8)	90,376
Licenses (Note 8)	1,320
Trade Name (Note 8)	15,300
Deferred tax assets, non-current	906
Total assets acquired	196,268
Accounts payable	15,752
Other current liabilities	8,827
Non-current liabilities	20,359
Deferred tax liabilities, non-current	38,536
Total liabilities assumed	83,474
Net assets acquired	112,794
Aggregate of:	
Purchase consideration	172,439
Non-controlling interest *	98,019
Total	270,458
Goodwill	157,664

* The Company determined the fair value of the non-controlling interests with the assistance of an independent third party valuation firm.

The agreement also provided a call option that allows the Company to purchase the remaining 49% equity interest in the Managed Network Entities by December 2011 for cash consideration determined using the proportionate amount of the finalized cash consideration for the initial 51% acquisition. As the remaining 49% equity interests is held by only one non-controlling shareholder where the underlying shares of the Managed Network Entities are not publicly traded, the call option is an embedded feature in the Managed Network Entities' shares, which does not qualify for bifurcation accounting. The fair value of the call option is RMB6,765,000 and has been recognized as part of non-controlling interests.

The revenue and net profit of Managed Network Entities since the acquisition date included in the consolidated statements of operations for the year ended December 31, 2010 were RMB60,175,000 and RMB11,869,000, respectively.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Unaudited pro forma consolidated financial information

The following unaudited pro forma consolidated financial information for the years ended December 31, 2009 and 2010 are presented as if the acquisition had occurred at the beginning of the period presented. These pro forma results have been prepared for comparative purpose only and do not purport to be indicative of what operating results would have been had the acquisition actually taken place on the date indicated. The pro forma adjustments are based on available information and certain assumptions the management believes are reasonable.

	For the year ended December 31,		
	2009	2010	2010
	(RMB'000)	(RMB'000)	(US$'000)
Net Revenue	424,877	649,574	98,420
Net profit (loss) from continuing operations before income tax	619	(247,195)	(37,454)
Earnings (loss) per share from continuing operations—basic (RMB)	RMB 0.65	RMB (3.45)	US$ (0.52)

These amounts have been computed after applying the effects of the Company's accounting policies.

5. ACCOUNTS RECEIVABLE, NET

Accounts receivable and allowance for doubtful accounts consist of the following:

	December 31,		
	2009	2010	
	RMB'000	RMB'000	US$'000
Accounts receivable	43,328	78,826	11,943
Allowance for doubtful debts	(3,066)	(2,453)	(371)
	40,262	76,373	11,572

As of December 31, 2009 and 2010, all accounts receivable were due from third party customers.

An analysis of the allowance for doubtful accounts is as follows:

	For the year ended December 31,		
	2009	2010	
	RMB'000	RMB'000	US$'000
Balance at beginning of the year	2,004	3,066	464
Charged to expenses	1,078	1,097	166
Disposal of the Non-IDC Business in SH Guotong	—	(1,710)	(259)
Write-off of accounts receivable	(16)	—	—
Balance at end of the year	3,066	2,453	371

Additions to the Company's allowance for doubtful accounts were recorded within general and administration expenses for each of the three years ended December 31, 2010.

21VIANET GROUP, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

6. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following:

	December 31,		
	2009	2010	
	RMB'000	RMB'000	US$'000
Prepaid expense for bandwidth, rented computer rooms and cabinets	8,995	4,975	753
Deferred initial public offering costs	—	5,325	807
Staff field advances	1,335	454	69
Other receivables	7,673	3,615	548
	18,003	14,369	2,177

Prepaid expense for bandwidth, rented computer rooms and cabinets represents the unamortized portion of prepayments made to the Company's telecom operators and certain technology companies, who provide the Company with access to bandwidth and computer rooms and cabinets.

Deferred initial public offering costs represent the deferred costs incurred by the Company directly attributable to the Company's pursuit of an IPO in the U.S. market, which are incremental to the Company and will be charged against the gross proceeds received from the expected IPO.

7. PROPERTY AND EQUIPMENT, NET

Property and equipment, including those held under capital leases, consist of the following:

	December 31,		
	2009	2010	
	RMB'000	RMB'000	US$'000
At cost:			
Buildings	11,089	11,089	1,680
Leasehold improvements	60,138	49,300	7,470
Computer and network equipment	165,147	255,010	38,638
Office equipment	5,245	4,457	675
Motor vehicles	620	694	105
	242,239	320,550	48,568
Less: Accumulated depreciation	(146,138)	(142,653)	(21,614)
	96,101	177,897	26,954
Construction-in-progress	3,002	19,118	2,897
	99,103	197,015	29,851

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Depreciation expense was RMB12,263,000, RMB15,990,000 and RMB19,673,000 (US$2,981,000) for the years ended December 31, 2008, 2009 and 2010, respectively, and were included in the following captions:

	For the year ended December 31,			
	2008	2009	2010	
	RMB'000	RMB'000	RMB'000	US$'000
Cost of revenues	10,335	10,539	11,863	1,797
Sales and marketing expenses	264	539	777	118
General and administrative expenses	787	2,416	2,071	314
Research and development costs	877	2,496	4,962	752
	12,263	15,990	19,673	2,981

The Company accounted for the leases of certain network equipments as capital leases as the lease contracts included bargain purchase options. The carrying amounts of the Company's property and equipment held under capital leases at respective balance sheet dates were as follows:

	December 31,		
	2009	2010	
	RMB'000	RMB'000	US$'000
Computer and network equipment	14,315	80,578	12,209
Less: accumulated depreciation	(854)	(3,696)	(560)
	13,461	76,882	11,649

Depreciation of computer and network equipment under capital leases was RMB nil, RMB854,000 and RMB3,413,000 (US$517,000), for the years ended December 31, 2008, 2009 and 2010, respectively.

The carrying amounts of computer and network equipment pledged by the Company to secure banking borrowings (Note 10) granted to the Company at respective balance sheet dates were as follows:

	December 31,		
	2009	2010	
	RMB'000	RMB'000	US$'000
Computer and network equipment	—	35,621	5,397

21VIANET GROUP, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

8. INTANGIBLE ASSETS, NET

The following table presents the Company's intangible assets as of the respective balance sheet dates:

	Purchased software	Purchased customer contracts	Contract backlog*	Customer relationship*	Licenses*	Supplier relationship*	Trade Name*	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Intangible assets, net								
January 1, 2009	8,757	1,912	—	2,931	112	7,064	2,054	22,830
Additions	529	—	—	—	—	—	—	529
Amortization expense	(2,339)	(1,712)	—	(1,173)	(32)	(831)	(111)	(6,198)
Intangible assets, net								
December 31, 2009	6,947	200	—	1,758	80	6,233	1,943	17,161
Additions	501	—	2,540	44,607	1,320	90,376	15,300	154,644
Disposal of SH Guotong's Non-IDC Business	(14)	—	—	—	(72)	—	(1,915)	(2,001)
Other disposals	(1,060)	—	—	—	—	—	—	(1,060)
Amortization expense	(2,458)	(200)	(635)	(4,962)	(30)	(3,090)	(283)	(11,658)
Intangible assets, net								
December 31, 2010	3,916	—	1,905	41,403	1,298	93,519	15,045	157,086
Intangible assets, net								
December 31, 2010 (US$'000)	593	—	289	6,273	196	14,170	2,280	23,801

* Acquired in the acquisition of SH Guotong and Managed Network Entities (Note 4)

Purchased customer contracts relate to the contracts entered into by the customers that have yet to be delivered, which was separately purchased from a third party and is estimated to have a useful life of 0.1 to 1.8 years. Customer relationship relates to the relationships that arose as a result of existing customer agreements acquired and its estimated fair value was derived from the estimated net cash flows that are expected to be generated from the expected renewal of these existing customer agreements after subtracting the estimated net cash flows from other contributory assets and is estimated to have a useful life of four to eight years. Supplier relationship relates to the relationships that arose as a result of existing bandwidth supply agreements with certain network operators and its estimated fair value was derived from the estimated net cash flows that are expected to be generated from the renewals of these existing supplier agreements after subtracting the estimated net cash flows from other contributory assets and is estimated to have an average useful life of 10 years. Trade Name relates to the Chinese trade names of SH Guotong and Managed Network Entities, and is estimated to have a useful life of 15 to 20 years. As of December 31, 2010, the weighted average useful life of the Company's intangible assets is 6.04 years.

The intangible assets, except for acquired customer relationships in the acquisition of Managed Network Entities which is amortized using an accelerated method of amortization, are amortized using the straight-line method, which is the Company's best estimate of how these assets will be economically consumed over their respective estimated useful lives ranging from 0.1 to 20 years. Amortization expenses were approximately RMB4,392,000, RMB6,198,000 and RMB11,658,000 (US$1,766,000) for the years ended December 31, 2008, 2009 and 2010, respectively.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The annual estimated amortization expenses for the intangible assets for each of the next five years are as follows:

	2011	2012	2013	2014	2015
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Purchased software	1,646	1,337	789	93	51
Contract backlog	1,905	—	—	—	—
Customer relationship	14,347	8,882	6,326	4,584	3,259
Licenses	88	88	88	88	88
Supplier relationship	9,869	9,869	9,869	9,869	9,869
Trade Name	1,020	1,020	1,020	1,020	1,020
	28,875	21,196	18,092	15,654	14,287

9. GOODWILL

Goodwill is comprised of the following:

	December 31,		
	2009	2010	
	RMB'000	RMB'000	US$'000
Goodwill from the acquisition of SH Guotong	12,507	12,507	1,895
Managed Network Entities – 51% share acquisition	—	157,664	23,889
	12,507	170,171	25,784

As of December 31, 2009 and 2010, the Company assessed impairment on its goodwill derived from the acquisition of SH Guotong (Note 4(a)). No impairment loss was recognized in any of the periods presented.

10. SHORT TERM BANK BORROWINGS

The short-term bank borrowings outstanding as of December 31, 2010 bore a weighted average interest rate of 6.40% per annum, and were denominated in Renminbi. These borrowings were obtained from financial institutions and have terms of six months to one year. As of December 31, 2010, unused short-term bank borrowings facilities amounted to RMB30,000,000.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Bank borrowings as of December 31, 2010 were secured/guaranteed by the following:

Bank borrowings (RMB'000)	Secured/guaranteed by
10,000	Jointly guaranteed by (i) a third party guarantor, and (ii) the Company's computer and network equipment with net book value of RMB15,377,000 (Note 7).
	Mr. Chen Sheng, Director and CEO of the Company and Mr. Zhang Jun, COO of the Company, also provided guarantee to the third party guarantor for this bank borrowing.
10,000	Jointly guaranteed by (i) Mr. Chen Sheng, Director and CEO of the Company and Mr. Zhang Jun, COO of the Company, and (ii) the Company's computer and network equipment with net book value of RMB20,244,000 (Note 7)
5,000	Guaranteed by Mr. Chen Sheng, Director and CEO of the Company
10,000	Guaranteed by Mr. Chen Sheng, Director and CEO of the Company and Mr. Zhang Jun, COO of the Company
35,000	

11. ACCRUED EXPENSES AND OTHER PAYABLES

The components of accrued expenses and other payables are as follows:

	December 31,		
	2009	2010	
	RMB'000	RMB'000	US$'000
Payroll and welfare payable	9,650	10,698	1,621
Business and other taxes payable	2,593	10,873	1,647
Payables for office supply and utility	2,207	1,480	224
Payables for purchase of property and equipment	1,969	847	128
Payables for purchase of software	437	208	32
Accrued service fee	2,746	1,890	286
Others	1,442	4,966	753
	21,044	30,962	4,691

12. CAPITAL LEASE OBLIGATIONS

Certain machinery and equipments were acquired through capital leases entered into by the Company. Future minimum lease payments under non-cancellable capital lease arrangements are as follows:

	RMB'000	US$'000
2011	20,706	3,137
2012	20,932	3,172
2013	18,242	2,764
2014	17,936	2,718
2015	10,127	1,534
Total minimum lease payments	87,943	13,325
Less: amount representing interest	(13,929)	(2,110)
Present value of remains minimum lease payments	74,014	11,215

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Relevant obligations stated weighted average interest rate of 7.31% and 8.03% for the years ended December 31, 2009 and 2010, respectively.

13. DEFERRED GOVERNMENT GRANTS

During the year ended December 31, 2010, the Company received RMB5,400,000 (US$818,000) in government grants from the relevant PRC government authorities. The government grants received during the year ended December 31, 2010 is required to be used in construction of property and equipment. These grants are initially deferred and subsequently recognized in the statement of operations when the Company has complied with the conditions or performance obligations attached to the related government grants, if any, and the grants are no longer refundable. Grants that subsidize the construction cost of property and equipment are amortized over the life of the related assets, when operational, as a reduction of the related depreciation expense.

Movements of deferred government grants are as follows:

	For the year ended December 31,		
	2009	2010	
	RMB'000	RMB'000	US$'000
Balance at beginning of the year	—	—	—
Additions	—	5,400	818
Recognized in income:	—	—	—
Balance at end of the year	—	5,400	818

14. PREFERRED SHARES

As discussed in Note 1, on October 31, 2010, as part of the reorganization, the Company issued an aggregate of 41,408,340 Series A contingently redeemable convertible preferred shares ("Series A Preferred Shares") and 69,557,840 Series B contingently redeemable convertible preferred shares ("Series B Preferred Shares"), which the number of the shares issued was determined by applying the relative fair value of the IDC and Non-IDC Business of which the relative percentages are determined to be 85% and 15% respectively, to the outstanding number of preferred shares of aBitCool. The initial carrying values of the Company's preferred shares were based on their estimated fair values on their issuance date. Given there was no change in each shareholder's proportionate shareholdings and respective rights and obligations before and after the reorganization, the reorganization was deemed to lack substance and accounted for in a manner similar to a pooling-of interest. Accordingly, the accompanying consolidated financial statements have been prepared as if the current corporate structure had been in existence throughout the periods presented. Accordingly, the Company's preferred shares are pushed back to all periods presented.

The details of the Series A1, A2, A3, B1 and B2 Preferred Shares are as follows:

(i) 30,411,130 Series A1 Preferred Shares to a group of third party investors, were also the original holders of the Series A1 contingently redeemable convertible preferred shares of aBitCool, at a stated issuance price of US$0.45 for no consideration.

(ii) 5,944,580 Series A2 Preferred Shares to a third party investor, were also the holders of the original Series A2 contingently redeemable convertible preferred shares of aBitCool, at a stated issuance price of US$0.77 for no consideration.

(iii) 5,052,630 Series A3 Preferred Shares to the holder of above Series A2 Preferred Shares, who is also the holder of the original Series A3 contingently redeemable convertible preferred shares of aBitCool at a stated issuance price of US$0.51 for no consideration.

(iv) 10,947,370 Series B1 Preferred Shares to certain holders of above Series A1 Preferred Shares, who are also the holders of the original Series B1 redeemable convertible preferred shares of aBitCool, at a stated issuance price of US$0.51 for no consideration.

(v) 58,610,470 Series B2 Preferred Shares to a group of third party investors, who are also the holders of the original Series B2 redeemable convertible preferred shares of aBitCool, at a stated issuance price of US$0.63 for no consideration.

The following key terms and conditions of the Series A and Series B Preferred Shares are identical to the original preferred shares issues by aBitCool:

Voting

The holder of each class of Series A and Series B Preferred Shares is entitled to voting rights equal to the ordinary shareholders on an as converted basis. Preferred shareholders are entitled to vote on any matter subject to ordinary shareholder voting.

Dividends

The holders of the Series A and Series B Preferred Shares are entitled to receive dividends when and if declared by the Board of Directors on an as-converted basis prior to payment of any dividend with respect any ordinary shares of the Company. No dividends will be paid to ordinary shareholders of the Company, until a dividend (if declared) is paid in full to holders of the Series A and Series B Preferred Shares on an if-converted basis.

Liquidation

In the event of any liquidation, dissolution or winding up of the Company (each a “Liquidation Event”), either voluntary or involuntary, or the occurrence of a Deemed Liquidation Event defined as (a) the sale, lease, other disposition of all or substantially all of the Company’s assets or the sale, exchange or transfer of a majority of the outstanding share capital of the Company, to an entity or a group of entities acting in concert; or (b) a merger, consolidation, amalgamation, recapitalization, reclassification, reorganization or similar business combination transaction involving the Company under circumstances in which the existing shareholders cease to retain a majority in voting power of the Company, distributions to the shareholders of the Company shall be made in the following manner:

(1) In the event where the valuation of the Company is more than the sum of the stated issuance prices of the Series A1 Preferred Shares and all the Series B Preferred Shares:

(a) the holders of Series B Preferred Shares shall be entitled to receive the amount equal to 100% of its stated issuance price plus all declared but unpaid dividends, prior and in preference to any distribution of any of the assets and funds of the Company to the holders of Series A Preferred Shares and ordinary shareholders of the Company;

(b) After payment has been made to the holders of Series B Preferred Shares, the holders of Series A Preferred Shares shall be entitled to receive the amount equal to 100% of its stated issuance price plus

all declared but unpaid dividends, prior and in preference to any distribution of any of the assets and funds of the Company to the ordinary shareholders of the Company;

(c) After payment has been made to the holders of Series A and Series B Preferred Shares, all assets and funds of the Company that remain legally available for distribution shall be distributed pro rata among the ordinary shareholders and the holders of Series A and Series B Preferred Shares, on an as converted basis.

(2) In the event where which the valuation of the Company is less than the sum of the stated issuance price of all the Series A1 and Series B Preferred Shares:

(a) the holders of Series A and Series B Preferred Shares shall be entitled to receive, on parity with each other, an amount equal to 100% of its respective stated issuance price plus all declared but unpaid dividends and distribution, prior and in preference to any distribution of any of the assets and funds of the Company to the ordinary shareholders of the Company;

(b) After payment has been made to the holders of Series A and Series B Preferred Shares, all assets and funds of the Company that remain legally available for distribution shall be distributed pro rata among the ordinary shareholders and the holders of Series A and Series B Preferred Shares, on an as converted basis.

If the total consideration from a Liquidation Event results in a valuation of the Company of less than three times of the stated issuance price of the Series B2 Preferred Shares, the holders of Series A and Series B Preferred Shares and the ordinary shareholders shall receive such payment on a pro rata basis in proportion to the number of shares on an as-converted basis held by each such holder.

Redemption

At any time after December 1, 2012, the Series B Preferred Shares shall be redeemable at the option of each holder of the Series B Preferred Shares, at a redemption price equal to 120% of the stated issuance price, plus all declared but unpaid dividends, proportionally adjusted for any recapitalizations, share combinations, share dividends, share splits.

Conversion

Each class of Series A and Series B Preferred Shares is convertible, at the option of the holder, at any time into an ordinary share as determined by the quotient of the stated issuance price and the then-effective conversion price. The initial conversion price and conversion ratio is the stated issuance price of each class of Series A and Series B Preferred Shares and one-for-one, respectively.

The above conversion prices are subject to adjustments in the event that the Company issues additional ordinary shares or additional deemed ordinary shares through options or convertible instruments for a consideration per share received by the Company (net of any selling concessions, discounts or commissions) less than the original Series A and Series B Preferred Shares conversion prices, as the case may be, in effect on the date of and immediately prior to such issue. In such event, the Series A and Series B conversion price is reduced, concurrently with such issue, to a price as adjusted according to an agreed-upon formula. The above conversion prices are also subject to adjustments on a proportional basis upon other dilution events.

Prior to the completion of a Qualified IPO, both Series A and Series B Preferred Shares will be automatically converted to ordinary shares at the respective then-effective conversion prices, upon the vote of the

(i) holders of not less than 51% of all outstanding Series A Preferred Shares and (ii) holders of not less than 51% of all outstanding Series B Preferred Shares.

On October 31, 2010, in preparation for the intended Qualified IPO, the shareholders and Board of Directors of the Company approved certain resolutions which only become effective upon the closing of a Qualified IPO effecting certain amendments to the authorized and issued share capital of the Company (Note 1(b)(v)), whereby all Series A and Series B Preferred Shares will be automatically converted into Class B ordinary shares at the respective then-effective conversion prices immediately prior to the completion of a Qualified IPO.

Registration Rights

The Series A and Series B Preferred Shares also contain registration rights which: (1) allow the holders to demand the Company to file a registration statement covering the offer and sale of Series A and Series B Preferred Shares after a qualified IPO; (2) require the Company to offer preferred shareholders an opportunity to include in a registration if the Company proposes to file a registration statement for a public offering of other securities; (3) allow the preferred shareholders to request the Company to file a registration statement on Form F-3 when the Company is eligible to use Form F-3. The Company is required to use its best effort to effect the registration if requested by the Preferred Shares holders, but there is no requirement to pay any monetary or non-monetary consideration for non-performance.

Accounting for series A and B Preferred Shares

The Series A Preferred Shares have been initially classified as mezzanine equity as these preferred shares are redeemable contingent upon the occurrence of a conditional event (i.e. Deemed Liquidation Event). The Series B Preferred Shares have been initially classified as mezzanine equity as these preferred shares may be redeemed at the option of the holders on or after an agreed upon date.

The initial carrying values of the Series A and Series B Preferred Shares were based on the estimated fair values at issuance date. The Company determined the estimated fair values of the preferred shares with the assistance of an independent third party valuation firm.

The holders of Series A and Series B Preferred Shares have the ability to convert the instrument into the Company's ordinary shares. The Company evaluated the embedded conversion option in these convertible preferred shares to determine if there were any embedded derivatives requiring bifurcation and to determine if there were any beneficial conversion features.

The conversion options and the contingent redemption options of Series A and Series B Preferred Shares do not qualify for bifurcation accounting because the underlying ordinary shares are not publicly traded nor are they readily convertible into cash. There are no other embedded derivatives that are required to be bifurcated.

Beneficial conversion features ("BCF") exist when the conversion price of the preferred shares is lower than the fair value of the ordinary share at the commitment date. Since the preferred shares are convertible from inception but contains conversion terms that change upon the occurrence of a future event, the contingent beneficial conversion feature is measured at the commitment date but not recognized until the contingency is resolved. The Company determined the estimated fair value of the ordinary share with the assistance from an independent third party valuation firm.

On October 31, 2010, the commitment date, the effective conversion price, which is the estimated fair value per preferred shares at issuance date, used to measure the BCF for Series A1, Series A2, Series A3, Series B1 and

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Series B2 Preferred shares were US$1.28, US$1.31, US$1.28, US$1.34 and US$1.37, respectively. No BCF was recognized as the estimated fair value per ordinary share at the commitment date was US$1.24, which was less than the respective effective conversion prices.

No accretion is recorded for the Series B Preferred Shares as their respective initial carrying values recorded are greater than the redemption price of Series B1 and Series B2 Preferred Shares of US$0.61 and US$0.76, respectively.

The carrying values of the Company's Series A1, Series A2, Series A3, Series B1 and Series B2 Preferred Shares as of December 31, 2009 and 2010 are RMB260,280,000, RMB51,990,000, RMB43,410,000, RMB97,874,000 and RMB537,556,000, respectively.

15. STATUTORY RESERVES

Under PRC law, the PRC subsidiaries of the Company are required to provide for certain statutory reserves, namely a general reserve, an enterprise expansion fund and a staff welfare and bonus fund. The entities are required to allocate at least 10% of their after tax profits on an individual company basis as determined under PRC GAAP to the general reserve and have the right to discontinue allocations to the general reserve if such reserve has reached 50% of registered capital. Appropriations to the enterprise expansion fund and staff welfare and bonus fund are at the discretion of the Board of Directors of the entity. These reserves can only be used for specific purposes and are not transferable to the Company in the form of loans, advances, or cash dividends.

As of December 31, 2009 and 2010, the Company's PRC Subsidiaries had appropriated RMB10,442,000 and RMB14,143,000 (US$2,143,000), respectively, in its statutory reserves.

16. MAINLAND CHINA EMPLOYEE CONTRIBUTION PLAN

As stipulated by the regulations of the PRC, full-time employees of the Company in the PRC participate in a government-mandated multiemployer defined contribution plan organized by municipal and provincial governments. Under the plan, certain pension benefits, medical care, unemployment insurance, employee housing fund and other welfare benefits are provided to employees. The Company is required to make contributions to the plan based on certain percentages of employees' salaries. The total expenses for the plan were RMB6,068,000, RMB6,246,000 and RMB9,743,000 (US$1,476,000), respectively, for the years ended December 31, 2008, 2009 and 2010.

17. COMPENSATION EXPENSES PAID BY SHAREHOLDER

On June 4, 2008, aBitCool repurchased 1,585,138 shares from two of its ordinary shareholders at a purchase price of US$5.05 per ordinary share for a total consideration of US$8,000,000. The Company determined the then fair value of the ordinary shares aBitCool to be US$4.65, with the assistance from an independent third party valuation firm. The excess of total consideration over the fair value of these ordinary shares amounted to RMB4,482,000 and represents compensation expenses for services provided by the two ordinary shareholders. Such expenses have been pushed down to the Company and recorded in general and administrative expenses with a corresponding credit to additional paid in capital for the year ended December 31, 2008.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

18. SHARE BASED COMPENSATION

(a) Option granted to employees

In order to provide additional incentives to employees and to promote the success of the Company's business, the Company adopted a share incentive plan in 2010 (the "2010 Plan"). Under the 2010 Plan, the Company may grant options to its employees, directors and consultants to purchase an aggregate of no more than 38,307,310 ordinary shares of the Company. The 2010 Plan was approved by the Board of Directors and shareholders of the Company on July 16, 2010. The maximum aggregate number of ordinary shares to be issued under 2010 Plan was subsequently amended to 36,585,630, as approved by the Board of Directors and shareholders of the Company on January 14, 2011.

The 2010 Plan will be administered by the Board of Director or the Compensation Committee of the Board as set forth in the 2010 Plan (the "Plan Administrator"). All options to be granted under the 2010 Plan have a contractual term of ten years and vest 1/48 for each month from the stated vesting commencement date in the grantee's option agreement. On July 16, 2010, the Company granted 24,078,670 options to employees at exercise price of US$0.15 which had a vesting commencement date of either: (i) July 1, 2008 for employees who joined the Company prior to this date or (ii) the grant date for employees who joined the Company after July 1, 2008. For the options with vesting commencement dates that preceded the grant date, compensation cost related to share options that were vested upon grant date was recognized immediately on the grant date. The compensation cost related to remaining unvested share options shall be recognized over the remaining requisite service period. As of December 31, 2010, options to purchase 24,078,670 of ordinary shares were outstanding and options to purchase 14,228,640 ordinary shares were available for future grant under the 2010 Plan.

The Black-Scholes option pricing model was applied in determining the estimated fair value of the options granted to employees. The model requires the input of highly subjective assumptions including the estimated expected stock price volatility and, the expected term of the option for which employees are likely to exercise their share options. For expected volatilities, the Company has made reference to the historical price volatilities of ordinary shares of several comparable companies in the same industry as the Company. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury Bills yield in effect at the time of grant. The Company has no historical exercise patterns as reference, thus expected term is based on management's estimation using the exercise patterns of employees in similar industries, which the Company believes are representative of future behavior. The estimated fair value of the ordinary shares, at the option grant dates, was determined with assistance from an independent third party valuation firm. The Company's management is ultimately responsible for the determination of the estimated fair value of its ordinary shares.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following table summarized the Company's employee share option activity under the 2010 Plan:

	Number of options	Weighted average exercise price (US$)	Weighted average remaining contractual term (Years)	Aggregate intrinsic value (US$'000)
Outstanding, January 1, 2010	—	—		—
Granted	24,078,670	0.15		
Exercised	—	—		
Forfeited	—	—		
Outstanding, December 31, 2010	24,078,670	0.15	9.5	26,101
Vested and expected to vest at December 31, 2010	24,078,670	0.15	9.5	26,101
Exercisable as of December 31, 2010	12,925,520	0.15	9.5	14,011

The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the estimated fair value of the underlying stock at each reporting date, for those awards that have an exercise price below the estimated fair value of the Company's shares. As of December 31, 2010, the Company has options outstanding to purchase an aggregate of 24,078,670 shares with an exercise price below the estimated fair value of the Company's shares, resulting in an aggregate intrinsic value of RMB172,267,000 (US$26,101,000).

The Company calculated the estimated fair value of the options on the respective grant dates using the binomial option pricing model with the following assumptions:

	July 16, 2010
Risk-free interest rates	1.41%-2.35%
Expected term	0.71-4.04 years
Expected volatility	40.14%-67.24%
Expected dividend yield	0%
Fair value of share option	US$0.83

The aggregate fair value of the outstanding options at the grant date was determined to be RMB122,744,000 and such amount shall be recognized as compensation expenses using the straight-line method for all employee share options granted with graded vesting. As of December 31, 2010, there was RMB50,900,000 of total unrecognized share-based compensation cost, net of estimated forfeitures, related to unvested options which is expected to be recognized over a weighted-average period of 1.8 years. Total unrecognized compensation cost may be adjusted for future changes in estimated forfeitures.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

A total compensation expense relating to options granted to employees recognized for the year ended December 31, 2010 is as follows:

	Year ended December 31, 2010	
	(RMB)'000	(US$)'000
Cost of revenues	4,645	704
Sales and marketing expenses	11,884	1,801
General and administration expenses	48,899	7,409
Research and development costs	6,416	972
	71,844	10,886

(b) Fully vested ordinary shares to employees and non-employees

On December 31, 2010, the Company issued 24,826,090 fully vested ordinary shares to Sunrise Corporate Holding Ltd. ("Sunrise"), a company owned by Mr. Chen Sheng, the CEO of the Company, for cash consideration equal to their per share par value of US$0.00001. Although Sunrise intends to in turn transfer the shares to certain key executive employees of the Company and certain non-employees who were the employees of the Company's Non-IDC Business that was discontinued and disposed of, respectively, in recognition of their services to the Company, there is no contractual obligation to do so nor has the finalization of the grantees, terms and/or timing to facilitate such transfer of shares to them been committed to.

Accordingly, the Company recorded share-based compensation expense on the date of issuance of these shares to Sunrise equal to the estimated fair-value of the ordinary shares at the measurement date which was determined to be RMB206,037,000 (US$31,217,000) which was recorded in general and administrative expenses. The Company will assess the accounting implications, if any, when the grantees, terms and timing of the intended transfer of such shares from Sunrise to the current and former employees are determined and finalized by Sunrise.

19. TAXATION

Enterprise income tax

Cayman Islands

The Company is a tax-exempt company incorporated in the Cayman Islands and conducts substantially all of its business through its PRC subsidiary and its VIE and its subsidiaries located in the PRC.

Hong Kong

21 Vianet HK is incorporated in Hong Kong and is subject to Hong Kong profits tax rate of 17.5%, 16.5%, 16.5% for the years ended December 31, 2008, 2009 and 2010, respectively. No provision for Hong Kong profits tax has been made in the consolidated financial statements as it had no assessable profits in the years ended December 31, 2008, 2009 and 2010.

The PRC

21Vianet China, 21Vianet Technology, 21Vianet Beijing, Shanghai Wantong, Xi'an Sub, SH Guotong and GZ Juliang are registered in the PRC and subject to PRC enterprise income tax ("EIT") on the taxable income in accordance with the relevant PRC income tax laws.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

On March 16, 2007, the National People's Congress enacted the Enterprise Income Tax Law ("the New EIT Law"), effective on January 1, 2008. The New EIT Law unified the previously-existing separate income tax laws for domestic enterprises and foreign invested enterprises ("FIEs") and adopted a unified 25% enterprise income tax rate applicable to all resident enterprises in China, except for certain entities eligible for preferential tax rates and grandfather rules stipulated by the New EIT Law.

In April 2009, 21Vianet Beijing received an approval for the grandfathering of the 6-year tax holiday which effectively commenced from January 1, 2006 and allows the Company to utilize a three-year 100% exemption followed by a three-year half-reduced EIT rate. As a result, 21Vianet Beijing reversed RMB24,504,000 unrecognized tax benefits based on a change of tax positions related to prior years and recorded a tax credit of RMB6,342,000 in 2009, which was subsequently received in January 2010. In December 2008, 21Vianet Beijing also received an approval as a High and New Technology Enterprises ("HNTE") and is eligible for a 15% preferential tax rate effective from 2008 to 2010 and thereafter for an additional 3 years through an administrative renewal process. In accordance with the PRC Income Tax Laws, an enterprise awarded with the HNTE status may enjoy a reduced EIT rate of 15%, however, in the event that any of the various provisions of the transitional preferential enterprise income tax policies, the New EIT Law and the implementing regulations overlap, an enterprise may choose the most advantageous policy to apply its sole and absolute discretion. 21Vianet Beijing chose to apply the tax holiday. The Company's other PRC subsidiaries were subject to EIT at a rate of 25% for the years ended December 31, 2008, 2009 and 2010.

Under the New EIT Law, dividends paid by PRC enterprises out of profits earned post-2007 to non-PRC tax resident investors are subject to PRC withholding tax of 10%. A lower withholding tax rate may be applied based on applicable tax treaty with certain countries.

The New EIT Law also provides that enterprises established under the laws of foreign countries or regions and whose "place of effective management" is located within the PRC are considered PRC tax resident enterprises and subject to PRC income tax at the rate of 25% on worldwide income. The definition of "place of effective management" refers to an establishment that exercises, in substance, overall management and control over the production and business, personnel, accounting, properties, etc. of an enterprise. As of December 31, 2010, no detailed interpretation or guidance has been issued to define "place of effective management". Furthermore, as of December 31, 2010, the administrative practice associated with interpreting and applying the concept of "place of effective management" is unclear. If the Company is deemed as a PRC tax resident, it would be subject to PRC tax under the New CIT Law. The Company will continue to monitor changes in the interpretation or guidance of this law.

Profit (loss) from continuing operations before income taxes consists of:

	For the year ended December 31,			
	2008	2009	2010	
	RMB'000	RMB'000	RMB'000	US$'000
Non-PRC	(6,418)	(2,422)	(282,527)	(42,807)
PRC	20,847	29,543	49,400	7,485
	14,429	27,121	(233,127)	(35,322)

21VIANET GROUP, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The income tax (expense) benefit comprises:

	For the year ended December 31,			
	2008	2009	2010	
	RMB'000	RMB'000	RMB'000	US$'000
Current	(14,275)	29,327	(10,581)	(1,603)
Deferred	10,454	3,533	8,993	1,362
	(3,821)	32,860	(1,588)	(241)

The reconciliation of tax computed by applying the statutory income tax rate of 25% for the year ended December 31, 2008, 2009 and 2010 applicable to the PRC operations to income tax expense is as follows:

	For the year ended December 31,			
	2008	2009	2010	
	RMB'000	RMB'000	RMB'000	US$'000
Profit (loss) from continuing operations before income taxes	14,429	27,121	(233,127)	(35,322)
Income tax (expense) benefit computed at applicable tax rates (25%)	(3,607)	(6,780)	58,282	8,831
Non-deductible expenses	(2,454)	(1,081)	(777)	(118)
Taxable income	—	—	(11,245)	(1,703)
Research & development costs	—	—	533	81
Effect of tax holidays	—	9,480	3,621	549
Current and deferred tax rate differences	—	(780)	553	84
International rate differences	(1,704)	(484)	(70,503)	(10,683)
Outside basis difference	8,566	2,091	613	93
Unrecognized tax benefits	(3,292)	28,793	(364)	(55)
Deferred tax expense	(6,098)	(5,244)	(105)	(16)
Valuation allowance	4,768	523	17,804	2,696
Prior year tax incentive	—	6,342	—	—
Income tax (expense) benefit	(3,821)	32,860	(1,588)	(241)

The benefit of the tax holiday per basic earnings per share is as follows:

	For the year ended December 31,			
	2008	2009	2010	
	RMB	RMB	RMB	US$
Basic	—	0.13	0.05	0.01
Diluted	—	0.05	0.05	0.01

21VIANET GROUP, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Deferred Tax

The significant components of deferred taxes are as follows:

	December 31,		
	2009	2010	
	RMB'000	RMB'000	US$'000
Deferred tax assets			
Current			
Allowance for doubtful accounts	529	307	47
Accrued salary and welfare	979	1,257	190
Accrued expenses	421	503	76
Others	57	—	—
Valuation allowance	(363)	(12)	(2)
Net current deferred tax assets	1,623	2,055	311
Non-current			
Tax losses	24,465	5,911	896
Property and equipment	2,948	3,336	505
Deferred government grant	—	999	151
Contingent consideration payables	—	1,673	254
Others	728	37	6
Valuation allowance	(23,627)	(4,598)	(697)
Net non-current deferred tax assets	4,514	7,358	1,115
Total deferred tax assets	6,137	9,413	1,426
Deferred tax liabilities			
Non-current			
Intangible assets	2,514	37,949	5,750
Outside basis differences	613	—	—
Total deferred tax liabilities	3,127	37,949	5,750

As of December 31, 2009 and 2010, the Company has net tax operating losses from its PRC subsidiaries and its Consolidated VIE, as per filed tax returns, of RMB97,860,000 and RMB23,131,000 (US$3,505,000), respectively, which will expire between 2012 to 2015.

ASC740 requires the Company to consider deferred taxes on the book-tax differences of investments in subsidiaries on an entity-by-entity basis; however, ASC740-30 provides an exception for foreign subsidiaries if sufficient evidence shows that the subsidiary has invested or will invest the undistributed earnings indefinitely or that the earnings will be remitted in a tax-free liquidation. In 2008 and 2009, 21Vianet Technology, the PRC consolidated VIE of 21Vianet China, which is also a PRC entity, cannot apply such exemption, and therefore the Company recorded the outside basis taxes on its undistributed earnings correspondingly.

Pursuant to the supplementary agreements entered in September 2010 (Note 1(c)) the Company became the primary beneficiary of 21 Vianet Technology. As management is asserting permanent reinvestment of the Company's foreign subsidiaries, the deferred tax liability related to outside basis difference was reversed.

As of December 31, 2010, the Company intends to permanently reinvest the undistributed earnings from other foreign subsidiaries to fund future operations. The amount of unrecognized deferred tax liabilities for

temporary differences related to investments in foreign subsidiaries is not determined because such a determination is not practicable.

Unrecognized tax benefits

As of December 31, 2009 and 2010, the Company recorded unrecognized tax benefits of RMB945,000 and RMB5,575,000 (US$845,000). The unrecognized tax benefits are primarily related to the application of a reduced income tax rate not yet approved and unqualified deemed profit tax filing method. It is possible that the amount of uncertain tax positions will change in the next 12 months, however, an estimate of the range of the possible outcomes cannot be made at this time. All of the uncertain tax positions, if ultimately recognized, will impact the effective tax rate.

A roll-forward of unrecognized tax benefits is as follows:

	For the year ended December 31,		
	2009	2010	
	RMB'000	RMB'000	US$'000
Balance at beginning of year	24,676	945	143
Additions based on tax positions related to prior years	—	182	28
Additions based on tax positions related to the current year	773	3,908	592
Decreases based on tax positions related to prior years	(24,504)	—	—
Balance at end of year	945	5,035	763

In the years ended December 31, 2009 and 2010, the Company recorded interest expense of nil and RMB540,000, respectively.

As of December 31, 2010, the tax years ended December 31, 2007 through 2010 for the PRC Subsidiaries remain open for statutory examination by the PRC tax authorities.

21VIANET GROUP, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

20. DISCONTINUED OPERATIONS

As discussed in Note 1, on March 31, 2010, the Non-IDC Business was disposed. Accordingly, pursuant to ASC 205-20 "Discontinued Operations," the Non-IDC Business has been accounted for as a discontinued operation whereby the results of operations of this business have been eliminated from the results of continuing operations and reported in discontinued operations for all periods presented. The results of the discontinued operations are determined by using a combination of specific identification of revenues and certain costs as well as a reasonable allocation of the remaining costs using applicable cost drivers where specific identification is not determinable.

	For the year ended December 31,			
	2008	2009	2010	
	RMB'000	RMB'000	RMB'000	US$'000
Net Revenues	18,309	11,009	3,726	565
Cost of revenues	(17,684)	(21,422)	(3,846)	(583)
Gross profit (loss)	625	(10,413)	(120)	(18)
Operating expenses:				
Sales and marketing expenses	(3,195)	(11,174)	(4,032)	(611)
General and administrative expenses	(19,215)	(33,186)	(8,167)	(1,237)
Research and development costs	(13,500)	(13,787)	(3,046)	(462)
Loss before income tax expenses	(35,285)	(68,560)	(15,365)	(2,328)
Income tax benefit	6,719	4,650	2,413	366
Loss from discontinued operations	(28,566)	(63,910)	(12,952)	(1,962)

Although the Non-IDC Business has been disposed on March 31, 2010, the invoicing of certain Non-IDC agreements continue to be performed by 21Vianet Beijing and 21Vianet Technology in return for a percentage of the revenue billed. Such service fee has been classified as other income in the consolidated statements of operations subsequent to March 31, 2010, which amounted to RMB617,000 for the period after the disposal date through to December 31, 2010. These expected continuing cash flows are expected to cease within one year as agreements are usually entered into and renewed annually, upon such time new agreements will be entered into directly by SH Guotong and GZ Juliang. Although the expected continuing indirect cash flows are as a result of the cash flows of the disposed component, such continuing cash flows are not considered significant and hence, the Non-IDC Business qualifies for classification as discontinued operations.

The net assets of the Non-IDC Business are not classified as held for sale as the criteria required for the held for sale classification is not met.

21VIANET GROUP, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

21. RELATED PARTY TRANSACTIONS

a) Related parties

Name of related parties	Relationship with the Company
Purple Communications Limited ("Purple")	A shareholder of the aBitCool
aBitCool Inc. ("aBitCool")	A company owned by the same group of the Company's ultimate shareholders
21ViaNet USA Inc. ("21V US")	A company owned by the same group of the Company's ultimate shareholders
21ViaNet Xian Technology Limited ("Xian Tech")	A company owned by the same group of the Company's ultimate shareholders
aBitCool China Limited ("aBC Tech")	A company owned by the same group of the Company's ultimate shareholders
21ViaNet Engineering Technology Services Co., Ltd. ("VEE")	A company owned by the same group of the Company's ultimate shareholders
21 ViaNet Beijing Intelligence Energy System Technology Co., Ltd. ("21V BJ")	A company owned by the same group of the Company's ultimate shareholders
Beijing Wanwei Huoju Network Technology Co., Ltd. ("BJ Wanwei")	A company owned by the same group of the Company's ultimate shareholders
Beijing Huo Ju Lian He Network Service Co., Ltd. ("Huo Ju Lian He")	A company owned by the same group of the Company's ultimate shareholders
CloudEx Beijing Science & Technology Co., Ltd. ("CE BJ")	A company owned by the same group of the Company's ultimate shareholders
Beijing CloudEX Software Service Co., Ltd. ("CE Soft BJ")	A company owned by the same group of the Company's ultimate shareholders
Qingdao 21Vianet Information Technology Co., Ltd. ("21V QD")	A company owned by the same group of the Company's ultimate shareholders
Ningbo 21Vianet Information Technology Co., Ltd. ("21V NB")	A company owned by the same group of the Company's ultimate shareholders
Foshan 21Vianet Intelligence Technology Co., Ltd. ("21V FS")	A company owned by the same group of the Company's ultimate shareholders
Mr. Chen Sheng ("Chen Sheng")	Director of the Company and CEO of the Company
Mr. Zhang Jun ("Zhang Jun")	COO of the Company
Mr. Cheng Ran ("Cheng Ran")	Key management of the Company who is also the seller of the Managed Network Entities
Ms. Gao Hong ("Gao Hong")	Spouse of Mr. Cheng Ran
Shi Dai Tong Lian	A company controlled by Mr. Cheng Ran

21VIANET GROUP, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

b) The Company had the following related party transactions for the years ended December 31, 2008, 2009 and 2010:

	For the year ended December 31,			
	2008	2009	2010	
	RMB'000	RMB'000	RMB'000	US$'000
Legal disposal of SH Guotong to nominee shareholders of aBitCool (Note 1)				
—Chen Sheng	—	48,272	—	—
—Zhang Jun	—	20,688	—	—
Compensation expenses paid by (Note 17)				
— aBitCool	4,482	—	—	—
Rental of office to				
—VEE	—	335	51	8
—BJ Wanwei	—	—	60	9
Service provided to				
—SH Guotong	—	—	11,322	1,715
—GZ Juliang	—	—	1,173	178
—BJ Wanwei	—	—	1,006	152
—21V BJ	—	—	5	1
—21V FS	—	—	4	1
—Huo Ju Lian He	—	—	896	136
—CE BJ	—	—	541	82
—CE Soft BJ	—	—	2	—
—VEE	—	40	1,061	161
Service provided by				
—SH Guotong	—	—	2,905	440
—21V NB	—	—	149	23
—VEE	1,232	—	—	—
Rental of equipment from				
—Xian Tech	—	3,990	13,178	1,997
Purchase of equipment from				
—Xian Tech	—	—	27,633	4,187
Sales of property and equipment to				
—BJ Wanwei	—	—	4,526	686
—CE Soft BJ	—	—	1,518	230
—CE BJ	—	—	4,396	666
Sales of intangible assets to				
—CE Soft BJ	—	—	466	71
—CE BJ	—	—	428	65
—21V QD	—	—	23	3
Repayment of loan and interests				
—Purple	6,074	—	—	—

21VIANET GROUP, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

c) The Company had the following related party balances for the years ended December 31, 2009 and 2010:

	December 31,		
	2009	2010	
	RMB'000	RMB'000	US$'000
Amount due from related parties			
—Chen Sheng	48,472	—	—
—Zhang Jun	20,698	—	—
—SH Guotong	—	1,823	277
—GZ Juliang	—	1,072	162
—VEE	1,500	678	103
—21V BJ	—	1,104	167
—Huo Ju Lian He	—	541	82
—CE BJ	—	4,798	728
—CE Soft BJ	—	1,970	298
—BJ Wanwei	—	1,454	220
—21V QD	—	23	3
—21V US	6	—	—
	70,676	13,463	2,040
Amount due to related parties			
Current:			
—aBitCool	115,567	—	—
—aBC Tech	111,049	—	—
—Shi Dai Tong Lian	—	25,000	3,788
—Xian Tech	5,054	28,488	4,317
—21V NB	—	49	7
—21V FS	—	21	3
—Cheng Ran	—	101	15
—Gao Hong	—	20	3
	231,670	53,679	8,133
Non-current:			
Shi Dai Tong Lian	—	126,331	19,141

All balances with the related parties as of December 31, 2009 and 2010 were unsecured, interest— free and have no fixed terms of repayment.

Amounts due from Chen Sheng and Zhang Jun as of December 31, 2009 were fully settled in September 2010. Amount due to aBC Tech as of December 31, 2009 was settled in the year ended December 31, 2010.

Amounts due to aBitCool and aBC Tech as of December 31, 2009 represented financing from related parties for working capital. Amount of RMB115,266,000 and RMB803,000 due to aBitCool were subsequently waived in October 2010 and December 2010, respectively.

The amount due to Shi Dai Tong Lian as of December 31, 2010 consists of RMB136,741,000 as the remaining contingent purchase consideration payable for the acquisition of Managed Network Entities (Note 4(b)) and RMB14,590,000 as the financing from Shi Dai Tong Lian for working capital.

As disclosed in Note 10, Mr. Chen Sheng and Mr. Zhang Jun provided guarantees to banks and third party who in turn granted guarantee to the banks for the Company's short-term bank borrowings.

21VIANET GROUP, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

22. RESTRICTED NET ASSETS

The Company's ability to pay dividends is primarily dependent on the Company receiving distributions of funds from its subsidiaries. Relevant PRC statutory laws and regulations permit payments of dividends by the Company's PRC subsidiaries only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. The results of operations reflected in the consolidated financial statements prepared in accordance with U.S. GAAP differ from those reflected in the statutory financial statements of the Company's PRC subsidiaries.

In accordance with the PRC Regulations on Enterprises with Foreign Investment and the articles of association of the Company's PRC subsidiaries, a foreign-invested enterprise established in the PRC is required to provide certain statutory reserves, namely general reserve fund, the enterprise expansion fund and staff welfare and bonus fund which are appropriated from net profit as reported in the enterprise's PRC statutory accounts. A foreign-invested enterprise is required to allocate at least 10% of its annual after-tax profit to the general reserve until such reserve has reached 50% of its respective registered capital based on the enterprise's PRC statutory accounts. Appropriations to the enterprise expansion fund and staff welfare and bonus fund are at the discretion of the board of directors for all foreign-invested enterprises. The aforementioned reserves can only be used for specific purposes and are not distributable as cash dividends. 21Vianet China was established as foreign-invested enterprise and, therefore, is subject to the above mandated restrictions on distributable profits.

As a result of these PRC laws and regulations subject to the limit discussed above that require annual appropriations of 10% of after-tax income to be set aside, prior to payment of dividends as general reserve fund, the Company's PRC Subsidiaries are restricted in their ability to transfer a portion of their net assets to the Company.

Amounts restricted include paid-in capital and statutory reserve funds of the Company's PRC Subsidiaries and the equity of the Consolidated VIE, as determined pursuant to PRC generally accepted accounting principles, totaling an aggregate of RMB422,507,000 (US$64,016,000) as of December 31, 2010. The Company does not have any retained earnings that are free from restriction.

21VIANET GROUP, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

23. EARNINGS (LOSS) PER SHARE

Basic and diluted earnings (loss) per share for each of the periods presented is calculated as follows:

	For the year ended December 31,			
	2008	2009	2010	
	RMB'000	RMB'000	RMB'000	US$'000
Numerator:				
Net profit (loss) from continuing operations	10,608	59,981	(234,715)	(35,563)
Less: net profit attributable to non-controlling interest	(295)	(1,990)	(7,722)	(1,170)
Net profit (loss) from continuing operations attributable to ordinary shareholders	10,313	57,991	(242,437)	(36,733)
Loss from discontinued operations	(28,566)	(63,910)	(12,952)	(1,962)
Net loss attributable to ordinary shareholders	(18,253)	(5,919)	(255,389)	(38,695)
Denominator:				
Weighted-average number of shares outstanding—basic	71,526,320	71,526,320	71,526,320	71,526,320
Dilutive effect of preferred shares	110,966,180	110,966,180	110,966,180	110,966,180
Weighted-average number of shares outstanding—diluted	182,492,500	182,492,500	182,492,500	182,492,500
Earnings (loss) per share—Basic:				
Net profit (loss) from continuing Operations	RMB 0.14	RMB 0.81	RMB (3.39)	US$(0.51)
Loss from discontinued operations	RMB (0.40)	RMB (0.89)	RMB (0.18)	US$(0.03)
	RMB (0.26)	RMB (0.08)	RMB(3.57)	US$(0.54)
Earnings (loss) per share—Diluted:				
Net profit (loss) from continuing Operations	RMB 0.06	RMB 0.32	RMB(3.39)	US$(0.51)
Loss from discontinued operations	RMB (0.16)	RMB (0.35)	RMB(0.18)	US$(0.03)
	RMB (0.10)	RMB (0.03)	RMB(3.57)	US$(0.54)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The Company issued Series A and Series B contingently redeemable convertible preferred shares (Note 14) that will convert automatically into class B ordinary shares upon completion of a qualified IPO. Assuming the conversion had occurred "on a hypothetical basis" on January 1, 2010, the pro forma basic and diluted net loss per share for the year ended December 31, 2010 is calculated as follows:

	For the Year Ended December 31, 2010	
	(RMB'000) (unaudited)	(US$'000) (unaudited)
Numerator:		
Loss from continuing operations	(234,715)	(35,563)
Less: net profit attributable to non-controlling interest	(7,722)	(1,170)
Loss from continuing operations attributable to ordinary shareholders	(242,437)	(36,733)
Loss from discontinued operations	(12,952)	(1,962)
Net loss attributable to ordinary shareholders:	(255,389)	(38,695)
Denominator:		
Weighted-average number of ordinary shares outstanding	71,526,320	71,526,320
Conversion of Preferred Shares to ordinary shares	110,966,180	110,966,180
Denominator for pro forma basic and diluted net loss per share	182,492,500	182,492,500
Pro forma basic loss per ordinary share (unaudited):		
Loss from continuing operations	RMB (1.33)	US$ (0.20)
Loss from discontinued operations	RMB (0.07)	US$ (0.01)
	RMB (1.40)	US$ (0.21)
Pro forma diluted loss per ordinary share (unaudited):		
Loss from continuing operations	RMB (1.33)	US$ (0.20)
Loss from discontinued operations	RMB (0.07)	US$ (0.01)
	RMB (1.40)	US$ (0.21)

On October 31, 2010, in preparation for the intended Qualified IPO, the shareholders and Board of the Company approved certain resolutions which only become effective upon the closing of a Qualified IPO effecting certain amendments to the authorized and issued share capital of the Company, whereby all Series A and Series B Preferred Shares will be automatically converted into Class B ordinary shares at the respective then-effective conversion prices immediately prior to the completion of a Qualified IPO. These amendments modify neither Series A and B Preferred shareholders' nor existing ordinary shareholders' respective rights to participate in the earnings of the Company and therefore have no effect on the above unaudited pro forma basic and diluted per share computations.

24. FAIR VALUE MEASUREMENT

The Company applies ASC topic 820, Fair Value Measurements and Disclosures. ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. ASC 820 requires disclosures to be provided on fair value measurement.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1—Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2—Include other inputs that are directly or indirectly observable in the marketplace.

Level 3—Unobservable inputs which are supported by little or no market activity.

ASC 820 describes three main approaches to measuring the fair value of assets and liabilities: (1) market approach; (2) income approach and (3) cost approach. The market approach uses prices and other relevant information generated from market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts to a single present value amount. The measurement is based on the value indicated by current market expectations about those future amounts. The cost approach is based on the amount that would currently be required to replace an asset.

In accordance with ASC 820, the Company measures cash equivalents and the contingent consideration for the acquisition of the Managed Network Entities (Note 4(b)) at fair value. Cash equivalents are classified within Level 1 or Level 2 because they are valued using a quoted market prices or alternative pricing sources and model utilizing market direct or indirect observable inputs, such as the risk-free interest rate. The contingent consideration for the acquisition of the Managed Network Entities is classified within Level 3. The contingent consideration is based on the achievement by Managed Network Entities of certain revenue and net profit targets in accordance with the sales and purchase agreement for the fiscal years 2011, 2012 and 2013, as well as the successful negotiation of a country-wide fiber optic lease agreement with a third party that is critical to the expansion of their business. The revenue and net profit targets were calculated based on the discounted cash flows (“DCF”) model. The DCF model involves applying appropriate discount rates to estimated cash flow forecasts that are based on forecasts of revenue and costs. Estimation of future cash flows requires us to make complex and subjective judgments regarding the Managed Network Entities’ projected financial and operating results, unique business risks, limited operating history and future prospects. The Managed Network Entities’ revenue forecasts were based on expected annual growth rates which were derived from a combination of our historical experience and industry trends. Other key inputs include the estimated fair value of the Company’s ordinary shares and a discount rate of 23% based the risks specific to the Managed Network Entities, which is based on its weighted average cost of capital.

Assets / liabilities measured at fair value on a recurring basis are summarized below:

	Fair value measurement at December 31, 2010 using:			
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Unobservable inputs (Level 3)	Fair value at December 31, 2010
	RMB’000	RMB’000	RMB’000	RMB’000
Amounts due to related Parties —Contingent consideration payable to Shi Dai Tong Lian	—	—	136,741	136,741
	—	—	136,741	136,741

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following table presents a reconciliation of all liabilities measured at fair value on a recurring basis using significant unobservable inputs (level 3):

	Contingent consideration payable RMB'000
Fair value at January 1, 2010	—
Contingent purchase consideration payable — Managed Network Entities (Note 4(b))	129,204
Changes in the fair value	7,537
Transfers in and/or out of Level 3	—
Fair value at December 31, 2010	136,741

Changes in the fair value of the contingent purchase consideration payable will be recorded in the consolidated financial statements of operations. The Company's valuation techniques used to measure the fair value of the contingent consideration payable were derived from management's assumptions of estimations as discussed above.

25. COMMITMENTS AND CONTINGENCIES

Variable Interest Entity Structure

The Company has a VIE, 21Vianet Technology, which has nine subsidiaries as of December 31, 2010. In the opinion of management, (i) the ownership structure of the Company and 21Vianet Technology are in compliance with existing PRC laws and regulations; (ii) the contractual arrangements with 21Vianet Technology and its shareholder are valid and binding, and will not result in any violation of PRC laws or regulations currently in effect; and (iii) the Company's business operations are in compliance with existing PRC laws and regulations in all material respects.

However, there are substantial uncertainties regarding the interpretation and application of current and future PRC laws and regulations. Accordingly, the Company cannot be assured that PRC regulatory authorities will not ultimately take a contrary view to its opinion. If the current ownership structure of the Company and its contractual arrangements with 21Vianet Technology are found to be in violation of any existing or future PRC laws and regulations, the Company may be required to restructure its ownership structure and operations in the PRC to comply with the changing and new PRC laws and regulations. In the opinion of management, the likelihood of loss in respect of the Company's current ownership structure or the contractual arrangements with 21Vianet Technology is remote based on current facts and circumstances.

Capital commitments

The Company has commitments to purchase certain computer and network equipment of RMB16,600,000 (US$2,515,000) as of December 31, 2010, which are scheduled to be paid in one year.

Operating lease commitments

The Company leases facilities in the PRC under non-cancelable operating leases expiring on different dates. For the years ended December 31, 2008, 2009 and 2010, total rental expenses for all operating leases amounted to RMB6,919,000, RMB9,352,000 and RMB7,346,000 (US$1,113,000), respectively.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

As of December 31, 2010, the Company has future minimum lease payments under non-cancelable operating leases with initial terms in excess of one year in relation to office premises consisting of the following:

	RMB'000	US$'000
2011	8,127	1,231
2012	5,238	794
2013	4,948	750
2014	4,811	729
2015	3,229	489
2016 and thereafter	2,968	450
	29,321	4,443

Payments under operating leases are expensed on a straight-line basis over the periods of their respective leases. The terms of the leases do not contain material rent escalation clauses or contingent rents.

Bandwidth and cabinet capacity purchase commitments

As of December 31, 2010, the Company had outstanding purchase commitments in relation to bandwidth and cabinet capacity consisting of the following:

	RMB'000	US$'000
2011	139,022	21,064
2012	18,740	2,839
2013	14,661	2,221
2014	11,820	1,791
2015	4,582	694
2016 thereafter	7,448	1,129
	196,273	29,738

Income Taxes

As of December 31, 2010, the Group has recognized RMB5,575,000 (US$845,000) accrual for unrecognized tax benefits (Note 19). The final outcome of the tax uncertainty is dependent upon various matters including tax examinations, interpretation of tax laws or expiration of statutes of limitation. However, due to the uncertainties associated with the status of examinations, including the protocols of finalizing audits by the relevant tax authorities, there is a high degree of uncertainty regarding the future cash outflows associated with these tax uncertainties. As of December 31, 2010, the Group classified the accrual for unrecognized tax benefits as a non-current liability.

26. SUBSEQUENT EVENTS

In accordance with ASC 855, "Subsequent Events", as amended by ASU 2010-09, the Company evaluated subsequent events through March 1, 2011, which was also the date that these consolidated financial statements were issued.

(a) Form of the Amended and Restated Memorandum and Articles of Association

On January 14, 2011, concurrent with the issuance of Series C1 contingently redeemable preferred shares ("Series C1 Preferred Shares") to certain holders of the Series A and B Preferred Shares, the shareholders

and the Board of Directors of the Company approved the following change to the authorized and issued share capital of the Company:

The share capital of the Company will be divided into (i) 300,000,000 Class A Ordinary Shares with a par value of US$0.00001 each (the "Class A Ordinary Shares"), (ii) 300,000,000 Class B Ordinary Shares with a par value of US$0.00001 each (the "Class B Ordinary Shares") and (iii) 170,000,000 preferred shares with a par value of US$0.00001 each, of which (a) 30,411,130 shares are preferred shares designated as Series A1 Preferred Shares, (b) 5,944,580 shares are preferred shares designated as Series A2 Preferred Shares, (c) 5,052,630 shares are preferred shares designated as Series A3 Preferred Shares, (d) 10,947,370 shares are redeemable preferred shares designated as Series B1 Preferred Shares, (e) 58,610,470 shares are redeemable preferred shares designated as Series B2 Preferred Shares, (f) 31,882,930 shares are preferred shares designated as Series C1 Preferred Shares, and (g) 27,150,890 shares are preferred shares designated as Series C2 Preferred Shares.

Subsequently, on February 17, 2011, concurrent with the issuance of Series C1 Preferred Shares to a third party investor, the shareholders and the Board of Directors of the Company approved the following change to the authorized and issued share capital of the Company:

The share capital of the Company will be divided into (i) 621,837,070 Ordinary Shares with a par value of US$0.00001 each (the "Ordinary Shares"), and (ii) 148,162,930 preferred shares with a par value of US$0.00001 each, of which (a) 30,411,130 shares are preferred shares designated as Series A1 Preferred Shares, (b) 5,944,580 shares are preferred shares designated as Series A2 Preferred Shares, (c) 5,052,630 shares are preferred shares designated as Series A3 Preferred Shares, (d) 10,947,370 shares are redeemable preferred shares designated as Series B1 Preferred Shares, (e) 58,610,470 shares are redeemable preferred shares designated as Series B2 Preferred Shares, and (f) 37,196,750 shares are preferred shares designated as Series C1 Preferred Shares.

(b) Issuance of Series C1 Preferred Shares

On January 14, 2011, the Company issued an aggregate of 31,882,930 Series C1 Preferred Shares to certain holders of the Series A and Series B Preferred Shares, for total gross cash proceeds of US$30,000,020. On February 17, 2011, the Company issued an additional 5,313,820 Series C1 Preferred Shares to a third party investor, for gross cash proceeds of US$5,000,000.

Upon the issuance of the Series C1 Preferred Shares, the ranking of the Series A and Series B Preferred Shares to dividends and liquidation was modified such that the Series C1 Preferred Shares will rank senior to that of the Series A and Series B Preferred Shares. The redemption of the Series B Preferred Shares was also modified from December 1, 2012 to December 1, 2014 to be consistent with that of the Series C Preferred Shares while all other remaining key terms and conditions of the Series C1 Preferred Shares being identical to those of the Series A and Series B Preferred Shares.

Accounting for Series C1 Preferred Shares

The Series C1 Preferred Shares have been initially classified as mezzanine equity on the date of issuance as these preferred shares may be redeemed at the option of the holders on or after an agreed upon date. The initial carrying values of the Series C1 Preferred Shares were based on the total consideration received.

The holders of Series C1 Preferred Shares have the ability to convert the instrument at anytime into the Company's ordinary shares. The Company evaluated the embedded conversion option in these convertible

preferred shares to determine if there were any embedded derivatives requiring bifurcation and to determine if there were any beneficial conversion features.

The conversion options and the contingent redemption options of Series C1 Preferred Shares do not qualify for bifurcation accounting because the underlying ordinary shares are not publicly traded nor are they readily convertible into cash. There are no other embedded derivatives that are required to be bifurcated.

Beneficial conversion features ("BCF") exist when the conversion price of the preferred shares is lower than the fair value of the ordinary share at the commitment date. The preferred shares are convertible from their issuance date and they contain conversion terms that change upon the occurrence of certain specified future events, therefore contingent beneficial conversion feature is measured at the commitment date but not recognized until the contingency is resolved. The Company determined the estimated fair value of the ordinary share on January 14, 2011 and February 17, 2011, the commitment dates, with the assistance from an independent third party valuation firm.

The effective conversion price used to measure the BCF for Series C1 Preferred Shares on the commitment dates was US$0.94. The Company recorded a BCF of US$9,662,441 and US$2,051,453 for the Series C1 Preferred Shares as the fair values per ordinary share on the commitment dates, were US$1.24 and US$1.33, respectively. The discount from recording such BCF was immediately accreted in full as the earliest conversion date is also the issuance date and was treated as a return to the Series C Preferred Shareholders.

(c) Issuance of Share Options

On February 25, 2011, the Company granted 307,800 options to certain employees of the Company at exercise price of US$0.15 under the 2010 Plan.

Share-based compensation cost will be measured at the grant dates based on the fair value of the options awarded and the related share-based compensation will be recognized as stock-based compensation expense using the straight-line method over the requisite service/vesting period.

(d) Share Split

On March 31, 2011, the Company's shareholders approved and executed a 10-for-one split of the Company's ordinary shares and preferred shares.

Each ordinary share and preferred share of the Company is subdivided into 10 shares at a par value of US$0.00001. All shares and per share amounts presented in the accompanying consolidated financial statements have been revised on a retroactive basis to give effect to the share split. The par value per ordinary share and preferred share has been retroactively revised as if it had been adjusted in proportion to the 10-for-one share split.

21VIANET GROUP, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

27. PARENT COMPANY ONLY CONDENSED FINANCIAL INFORMATION

Condensed balance sheets

	As of December 31,		
	2009	2010	
	RMB'000	RMB'000	US$'000
ASSETS			
Current assets			
Cash	—	1,537	233
Prepaid expenses and other current assets	—	5,213	790
Amount due from a subsidiary	—	46,714	7,078
Total current assets	—	53,464	8,101
Non-current assets			
Investments	13,415	107,748	16,326
Total non-current assets	13,415	107,748	16,326
Total assets	13,415	161,212	24,427
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Amount due to a related party	10,206	—	—
Total current liabilities	10,206	—	—
Total liabilities	10,206	—	—
Mezzanine equity:			
Series A contingently redeemable convertible preferred shares	355,680	355,680	53,891
Series B contingently redeemable convertible preferred shares	635,430	635,430	96,277
Total mezzanine equity	991,110	991,110	150,168
Shareholders' deficit:			
Ordinary shares	5	7	1
Additional paid-in capital	68,960	481,603	72,971
Accumulated other comprehensive loss	722	1,469	223
Accumulated deficit	(1,057,588)	(1,312,977)	(198,936)
Total shareholders' deficit	(987,901)	(829,898)	(125,741)
Total liabilities, mezzanine equity and shareholders' deficit	13,415	161,212	24,427

21VIANET GROUP, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Condensed statements of operations

	For the year ended December 31,			
	2008	2009	2010	
	RMB'000	RMB'000	RMB'000	US$'000
Net Revenues	—	—	—	—
Cost of revenues	—	—	—	—
Selling expenses	—	(29)	—	—
General and administrative expenses	(6,816)	(1,897)	(281,113)	(42,593)
Research and development costs	—	—	—	—
Operating loss	(6,816)	(1,926)	(281,113)	(42,593)
Other expenses	—	—	(49,931)	(7,565)
Investment (loss) income	(11,437)	(3,993)	75,655	11,463
Loss before income taxes	(18,253)	(5,919)	(255,389)	(38,695)
Income tax expense	—	—	—	—
Net loss	(18,253)	(5,919)	(255,389)	(38,695)

Condensed statements of cash flows

	For the year ended December 31,			
	2008	2009	2010	
	RMB'000	RMB'000	RMB'000	US$'000
Net cash used in operating activities	—	—	—	—
Net cash used in investing activities	—	—	—	—
Net cash generated from financing activities	—	—	1,537	233
Net increase in cash				
Cash at beginning of the year	—	—	1,537	233
Cash at end of the year	—	—	1,537	233

(a) Basis of presentation

In the Company-only financial statements, the Company's investment in subsidiaries is stated at cost plus equity in undistributed earnings of subsidiaries since inception.

The Company records its investment in its subsidiary under the equity method of accounting as prescribed in ASC 323-10, Investment-Equity Method and Joint Ventures, such investment is presented on the balance sheet as "Investment in subsidiaries" and share of the subsidiaries' profit or loss as "Equity in profit of subsidiaries" on the statements of operations.

The subsidiaries did not pay any dividends to the Company for the periods presented.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted and as such, these Company-only financial statements should be read in conjunction with the Group's consolidated financial statements.

21VIANET GROUP, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

(b) Related party transactions

The Company had the following related party transactions for the years ended December 31, 2008, 2009 and 2010:

	For the year ended December 31,			
	2008	2009	2010	
	RMB'000	RMB'000	RMB'000	US$'000
Expenses paid on behalf by:				
— aBitCool	6,816	1,926	2,485	377
Waiver of liability by:				
— aBitCool	—	—	116,069	17,586
Waiver of receivables to:				
— 21Vianet Technology	—	—	28,990	4,399
— 21Vianet Beijing	—	—	20,941	3,173

The Company had the following related party balances as of December 31, 2008 and 2009:

	December 31,		
	2009	2010	
	RMB'000	RMB'000	US$'000
Amount due from a subsidiary			
— 21Vianet HK	—	46,714	7,078
Amount due from a related party			
— aBitCool	10,206	—	—

(c) Commitments

The Company does not have any significant commitments or long-term obligations as of any of the periods presented.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Beijing Chengyishidai Network Technology Co., Ltd. and
Zhiboxintong Beijing Network Technology Co., Ltd.:

We have audited the accompanying combined balance sheets of Beijing Chengyishidai Network Technology Co., Ltd, and Zhiboxintong Beijing Network Technology Co., Ltd. and its wholly-owned subsidiaries (together, the "Group") as of December 31, 2009 and September 30, 2010, and the related combined statements of operations and cash flows for the year ended December 31, 2009 and the nine months ended September 30, 2010. These financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Group's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the results of the Group's combined financial position as of December 31, 2009 and September 30, 2010, and the combined results of operations and cash flows for the year ended December 31, 2009 and the nine months ended September 30, 2010, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young Hua Ming
Shanghai, the People's Republic of China

December 17, 2010

BEIJING CHENGYISHIDAI NETWORK TECHNOLOGY CO., LTD. AND ZHIBOXINTONG BEIJING NETWORK TECHNOLOGY CO., LTD.

COMBINED BALANCE SHEETS

AS OF DECEMBER 31, 2009 AND SEPTEMBER 30, 2010
(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$"))

	Note	As of December 31, 2009	As of September 30, 2010	
		RMB	RMB	US$
Current Assets				
Cash and cash equivalents		5,455	2,440	365
Accounts receivable	4	21,849	13,806	2,064
Amount due from a related party	7	718	—	—
Prepaid expenses and other current assets		3,731	2,199	329
Deferred tax assets	6	52	55	8
Total current assets		**31,805**	**18,500**	**2,766**
Non-current assets				
Property and equipment, net	5	23,889	25,088	3,750
Deferred tax assets	6	140	314	47
Total non-current assets		**24,029**	**25,402**	**3,797**
TOTAL ASSETS		**55,834**	**43,902**	**6,563**
LIABILITIES AND SHAREHOLDERS' DEFICIT				
Current Liabilities				
Accounts payable		35,438	15,752	2,354
Advances from customers		726	617	92
Amount due to a related party	7	3,042	—	—
Income tax payable		164	1,739	260
Accrued expenses and other payables		15,926	6,471	969
Total current liabilities		**55,296**	**24,579**	**3,675**
Non-current liabilities				
Amount due to shareholders	8	—	20,000	2,989
Unrecognized tax benefits	6	4,015	359	54
Total non-current liabilities		4,015	20,359	3,043
TOTAL LIABILITIES		**59,311**	**44,938**	**6,718**
Commitments and contingencies	10			
Shareholders' deficit				
Combined paid-in capital		2,000	2,000	299
Statutory reserves	9	1,119	1,119	167
Accumulated deficits		(6,596)	(4,155)	(621)
Total shareholders' deficit		**(3,477)**	**(1,036)**	**(155)**
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT		**55,834**	**43,902**	**6,563**

The accompanying notes are an integral part of these combined financial statements.

BEIJING CHENGYISHIDAI NETWORK TECHNOLOGY CO., LTD. AND ZHIBOXINTONG BEIJING NETWORK TECHNOLOGY CO., LTD.

COMBINED STATEMENTS OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2009 AND THE NINE MONTHS ENDED SEPTEMBER 30, 2010

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$"))

	Note	For the year ended December 31, 2009	For the nine months ended September 30, 2010	2010
		RMB	RMB	US$
Net revenues		111,242	125,427	18,747
Cost of revenues		(105,492)	(118,442)	(17,703)
Gross profit		**5,750**	**6,985**	**1,044**
Sales and marketing expenses		(2,512)	(1,541)	(230)
General and administrative expenses		(2,283)	(4,253)	(636)
Operating profit		**955**	**1,191**	**178**
Interest income		5	7	1
Other expenses		—	(757)	(113)
Profit before income taxes		**960**	**441**	**66**
Income tax (expense) benefit	6	(3,614)	2,000	299
Net (loss) income		**(2,654)**	**2,441**	**365**

The accompanying notes are an integral part of these combined financial statements.

BEIJING CHENGYISHIDAI NETWORK TECHNOLOGY CO., LTD. AND ZHIBOXINTONG BEIJING NETWORK TECHNOLOGY CO., LTD.

COMBINED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2009 AND THE NINE MONTHS ENDED SEPTEMBER 30, 2010

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$"))

	For the year ended December 31,	For the nine months ended September 30,	
	2009	2010	2010
	RMB	RMB	US$
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) income	(2,654)	2,441	365
Adjustments to reconcile net income to net cash generated from operating activities:			
Loss from disposal of property and equipment	—	757	113
Depreciation of property and equipment	2,034	4,685	700
Deferred taxes	(20)	(176)	(26)
Changes in operating assets and liabilities:			
Accounts receivable	(15,080)	8,043	1,202
Prepaid expenses and other current assets	455	1,531	229
Accounts payable	22,610	(19,686)	(2,942)
Accrued expenses and other payables	2,221	(1,731)	(261)
Income tax payable	163	1,575	235
Unrecognized tax benefits	3,353	(3,656)	(543)
Advances from customers	620	(109)	(16)
Amount due to shareholders	—	20,000	2,989
Amount due from a related party	3,059	718	107
Amount due to a related party	12	(12)	(2)
Net cash generated from operating activities	16,773	14,380	2,150
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	(13,260)	(14,365)	(2,147)
Net cash used in investing activities	(13,260)	(14,365)	(2,147)
CASH FLOWS FROM FINANCING ACTIVITIES			
Consideration paid for the equity transfer of entities under common control	—	(3,030)	(453)
Net cash used in financing activities	—	(3,030)	(453)
Net increase (decrease) in cash	3,513	(3,015)	(450)
Cash at beginning of year/period	1,942	5,455	815
Cash at end of year/period	5,455	2,440	365
Supplemental cash flow information:			
Income tax paid	118	258	39
Purchase of property and equipment included in accrued expenses and other payables	7,724	—	—

The accompanying notes are an integral part of these combined financial statements.

BEIJING CHENGYISHIDAI NETWORK TECHNOLOGY CO., LTD. AND ZHIBOXINTONG BEIJING NETWORK TECHNOLOGY CO., LTD.

NOTES TO COMBINED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009 AND THE NINE MONTHS ENDED SEPTEMBER 30, 2010

1. ORGANIZATION

Beijing Chengyishidai Network Technology Co., Ltd. ("CYSD") was established on November 18, 2003 in the People's Republic of China ("PRC"). The shareholders of CY from incorporation until September 7, 2010 were shareholders nominated by Mr. Cheng Ran. On September 7, 2010, the nominee shareholders transferred all of their respective equity interests in CYSD to Beijing Shi Dai Tong Lian Technology Co., Ltd. ("Shi Dai Tong Lian"), a company controlled by Mr. Cheng Ran (the "Controlling Shareholder") for consideration of RMB1,000,000. On September 30, 2010, Shi Dai Tong Lian sold 51% of its equity interest in CYSD to Beijing 21 ViaNet Broad Band Data Center Company Limited ("21Vianet Beijing").

Zhiboxintong Beijing Network Technology Co., Ltd. ("ZBXT") was established on July 23, 2007 in the PRC. The shareholders of ZBXT from incorporation until September 7, 2010 were shareholders nominated by Mr. Cheng Ran. On September 7, 2010, the nominee shareholders transferred all of their respective equity interests in ZBXT to Shi Dai Tong Lian for consideration of RMB1,000,000. On September 30, 2010, Shi Dai Tong Lian sold 51% of its equity interest in ZBXT to 21Vianet Beijing.

Xingyunhengtong Beijing Network Technology Co., Ltd. ("XY") was established on February 27, 2008 in the PRC. The shareholders of XY from incorporation until June 29, 2010 were shareholders nominated by Mr. Cheng Ran. On May 16, 2010 and June 29, 2010, the nominee shareholders transferred all of their respective equity interests in XY to ZBXT in exchange for a consideration of RMB30,000.

Fuzhou Yongjiahong Communication Technology Co., Ltd. ("YJH") was established by on September 11, 2008 in the PRC. The shareholders of YJH from incorporation until May 14, 2010 were shareholders nominated by Mr. Cheng Ran On May 14, 2010, the nominee shareholders transferred all of their respective equity interests in YJH to ZBXT in exchange for a consideration of RMB1,000,000.

Beijing Bikonghengtong Network Technology Co., Ltd. ("BK") was established on November 12, 2008 in the PRC. The shareholder of BK from incorporation until December 23, 2009 was nominated by Mr. Cheng Ran. On December 23, 2009, the nominee shareholder transferred all of her equity interests in BK to ZBXT in exchange for a consideration of RMB1,000,000.

Beijing Bozhiruihai Network Technology Co., Ltd. ("BZ") was established on December 2, 2008 in the PRC. The shareholders of BZ from incorporation until December 18, 2010 were shareholders nominated by Mr. Cheng Ran. On December 18, 2009, the nominee shareholders transferred all of their respective equity interests in BZ to ZBXT in exchange for a consideration of RMB1,000,000.

Mr. Cheng Ran was the beneficial owner of the equity interests of CYSD, ZBXT, YJH, BK, BZ and XY held by the nominee shareholders. At the date of each equity transfer of YJH, BK, BZ and XY, the consideration was accrued as a payable to Mr. Cheng Ran, being the beneficial owner of the shares. On June 29, 2010, September 27, 2010 and September 29, 2010, RMB30,000, RMB1,000,000 and RMB2,000,000, in aggregate RMB3,030,000, were paid in cash to Mr. Cheng Ran as settlement of the consideration accrued.

These combined financial statements include the accounts of the ZBXT, ZBXT's wholly owned subsidiaries listed below, and CYSD. The abovementioned transactions was accounted for as a reorganization of entities under common control, in a manner similar to a pooling-of-interest. The assets and liabilities of the entities to the reorganization have been stated at their historical amounts in the combined financial statements. Accordingly, the

BEIJING CHENGYISHIDAI NETWORK TECHNOLOGY CO., LTD. AND ZHIBOXINTONG BEIJING NETWORK TECHNOLOGY CO., LTD.

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2009 AND THE NINE MONTHS ENDED SEPTEMBER 30, 2010

accompanying combined financial statements have been prepared as if the current corporate structure of ZBXT had been in existence since the beginning of the periods presented. The consideration paid for the acquisition of ZBXT's wholly owned subsidiaries' equity interests is treated as a capital transaction and recorded in equity. All intercompany accounts and transactions have been eliminated in combination.

As of September 30, 2010, subsidiaries of ZBXT include the following:

Entity	Date of incorporation	Place of incorporation	Percentage of ownership	Principal activities
YJH	September 11, 2008	PRC	100%	Provision of managed network services
BK	November 12, 2008	PRC	100%	Provision of managed network services
BZ	December 2, 2008	PRC	100%	Provision of managed network services
XY	February 27, 2008	PRC	100%	Provision of managed network services

ZBXT and its wholly-owned subsidiaries, and CYSD (together, the "Group") are principally engaged in the provision of managed network services in the People's Republic of China ("PRC").

On September 30, 2010, 21Vianet Beijing acquired 51% of the equity interest of the Group from Shi Dai Tong Lian for a total purchase consideration of RMB160,594,000 (US$24,003,000).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying combined financial statements of the Group have been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP").

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results could materially differ from those estimates. Areas where management uses subjective judgment include, but are not limited to, estimating the useful lives of long-lived assets and the impairment assessment of long-lived assets, determining the provision for accounts receivable and accounting for deferred income taxes.

Convenience Translation

Amounts in U.S. dollars ("US$") are presented for the convenience of the reader and are translated at the noon buying rate of RMB6.6905 to US$1.00 on September 30, 2010 in the City of New York for cable transfers of RMB as certified for customs purposes by the Federal Reserve Bank of New York. No representation is made that the RMB amounts could have been, or could be, converted into US$ at such rate.

BEIJING CHENGYISHIDAI NETWORK TECHNOLOGY CO., LTD. AND ZHIBOXINTONG BEIJING NETWORK TECHNOLOGY CO., LTD.

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2009 AND THE NINE MONTHS ENDED SEPTEMBER 30, 2010

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and demand deposits placed with banks or other financial institutions which are unrestricted as to withdrawal and use and have original maturities less than three months.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are carried at net realizable value. An allowance for doubtful accounts is recorded in the period when loss is probable based on an assessment of specific evidence indicating troubled collection, historical experience, accounts aging and other factors. An accounts receivable is written off after all collection efforts has ceased. No provisions for allowance for doubtful accounts have been recorded during any of the periods presented.

Property and Equipment

Property and equipment are stated at cost and are depreciated using the straight-line method over the estimated useful lives of the assets, as follows:

Category	Estimated useful life
Computer and network equipment	5 years
Motor vehicles	5 years
Office equipment	5 years
Leasehold improvements	Over the shorter of lease term or the estimated useful lives of the assets

Repair and maintenance costs are charged to expense as incurred, whereas the cost of renewals and betterments that extend the useful lives of property and equipment are capitalized as additions to the related assets. Retirements, sales and disposals of assets are recorded by removing the cost and accumulated depreciation from the asset and accumulated depreciation accounts with any resulting gain or loss reflected in the statement of operations.

Property and equipment that are purchased or constructed which require a period of time before the assets are ready for their intended use are accounted for as construction-in-progress. Construction-in-progress is recorded at acquisition cost, including installation costs. Construction-in-progress is transferred to specific property and equipment accounts and commences depreciation when these assets are ready for their intended use. The Group did not recognize any capitalized interest during any of the periods presented.

Impairment of Long-Lived Assets

The Group evaluates its long-lived assets or asset group for impairment whenever events or changes in circumstances (such as a significant adverse change to market conditions that will impact the future use of the assets) indicate that the carrying amount of an asset or a group of long-lived assets may not be recoverable. When these events occur, the Group evaluates for impairment by comparing the carrying amount of the assets to future undiscounted net cash flows expected to result from the use of the assets and their eventual disposition. If the

sum of the expected undiscounted cash flow is less than the carrying amount of the assets, the Group would recognize an impairment loss based on the excess of the carrying amount of the asset group over its fair value. Fair value is generally determined by discounting the cash flows expected to be generated by the assets, when the market prices are not readily available for the long-lived assets. No impairment charges were recognized for any of the periods presented.

Fair Value of Financial Instruments

The carrying amounts of financial assets and liabilities, such as cash and cash equivalents, accounts receivable, other receivables, certain prepayments and other current assets, balances with related parties, accounts payable, advances from customers, certain accrued expenses and other liabilities, approximate their fair values because of the short maturity of these instruments.

Revenue Recognition

The Group is principally engaged in the provision of managed network services to its customers.

Consistent with the criteria of Staff Accounting Bulletin No. 104, “Revenue Recognition”, the Group recognizes revenue from sales of these services when there is a signed sales agreement with fixed or determinable fees, services have been provided to the customer and collection of the resulting customer’s receivable is reasonably assured.

The Group’s services are provided under the terms of a one-year service agreement, which will typically accompany a one-year term renewal option with the same terms and conditions. Customers can choose at the outset of the arrangement to either use the Group’s services through a monthly fixed fee arrangement or choose a plan based on actual bandwidth or traffic volume used during the month at fixed pre-set rates. The Group recognizes and bills for revenue for excess usage, if any, in the month of its occurrence to the extent a customer’s usage of the services exceeds their pre-set monthly fixed bandwidth usage and fee arrangements. The rates as specified in the service agreements are fixed for the duration of the contract term and are not subject to adjustment.

Business tax on revenues earned from provision of services to customers is recorded as a deduction from gross revenue to derive net revenues in the same period in which the related revenue is recognized. Except for XY which is subject to a 5% business tax rate on its revenue, CYSD, ZBXT and all the other subsidiaries of ZBXT are subject to a 3% business tax rate The business tax expenses for the year ended December 31, 2009 and the nine months ended September 30, 2010 amounted to approximately RMB2,851,000, and RMB2,680,000 (US$400,000), respectively.

Cost of revenues

Cost of revenues consists primarily of depreciation of the Group’s long-lived assets, maintenance, purchase of bandwidth and other overhead expenses directly attributable to the provision of internet access and bandwidth management services.

BEIJING CHENGYISHIDAI NETWORK TECHNOLOGY CO., LTD. AND ZHIBOXINTONG BEIJING NETWORK TECHNOLOGY CO., LTD.

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2009 AND THE NINE MONTHS ENDED SEPTEMBER 30, 2010

Advertising expenditures

Advertising expenditures are expensed as incurred. Advertising expenditures, included in sales and marketing expenses, amounted to approximately RMB1,119,000, and RMB1,541,000 (US$230,000), for the year ended December 31, 2009 and for the nine months ended September 30, 2010, respectively.

Income Taxes

The Group accounts for income taxes using the liability method. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax bases of assets and liabilities using enacted tax rates that will be in effect in the period in which the differences are expected to reverse. The Group records a valuation allowance against deferred tax assets if, based on the weight of available evidence, it is more-likely-than-not that some portion, or all, of the deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date.

Effective January 1, 2007, the Group adopted ASC 740, "Accounting *for Income Taxes"* ("ASC 740"). ASC 740 clarifies the accounting for uncertainty in income taxes by prescribing the recognition threshold a tax position is required to meet before being recognized in the financial statements. The cumulative effects of applying ASC 740, if any, is recorded as an adjustment to retained earnings as of the beginning of the period of adoption. The Group's adoption of ASC 740 did not result in any adjustment to the opening balance of the Group's accumulated deficit as of January 1, 2007. The Group has elected to classify interest and penalties related to an uncertain position, if and when required, as "income tax expense", in the combined statements of income. The Group's estimated liability for unrecognized tax benefits and the related interests and penalties are periodically assessed for adequacy and may be affected by changing interpretations of laws, rulings by tax authorities, changes and/or developments with respect to tax audits, and expiration of the statute of limitations.

Employee benefits

The full-time employees of the Group's entities are entitled to staff welfare benefits including medical care, housing fund, unemployment insurance and pension benefits, which are governmental mandated defined contribution plans. These entities are required to accrue for these benefits based on certain percentages of the employees' respective salaries, subject to certain ceilings, in accordance with the relevant PRC regulations, and make cash contributions to the state-sponsored plans out of the amounts accrued. The total amounts for such employee benefits, which were expensed as incurred, were RMB187,000 and RMB293,000 (US$44,000) for the year ended December 31, 2009, and the nine months ended September 30, 2010, respectively.

Leases

Leases are classified at the inception date as either a capital lease or an operating lease. The Group assesses a lease to be a capital lease if any of the following conditions exist: a) ownership is transferred to the lessee by the end of the lease term, b) there is a bargain purchase option, c) the lease term is at least 75% of the property's estimated remaining economic life or d) the present value of the minimum lease payments at the beginning of the lease term is 90% or more of the fair value of the leased property to the lessor at the inception date. A capital lease is accounted for as if there was an acquisition of an asset and an incurrence of an obligation at the inception of the lease. The Group has no capital leases for the periods stated herein.

BEIJING CHENGYISHIDAI NETWORK TECHNOLOGY CO., LTD. AND ZHIBOXINTONG BEIJING NETWORK TECHNOLOGY CO., LTD.

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

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All other leases are accounted for as operating leases wherein rental payments are expensed on a straight-line basis over the periods of their respective leases. The Group leases office space under operating lease agreements. The Group also leases fibers optic cables for periods not exceeding one year. Lease expenses were approximately RMB4,322,000 and RMB5,844,000 (US$873,000) for the year ended December 31, 2009 and the nine months ended September 30, 2010, respectively.

Recent accounting pronouncements

In October 2009, the FASB issued ASU No. 2009-13 ("ASU 2009-13"), Multiple-Deliverable Revenue Arrangements. ASU 2009-13 amends ASC sub-topic 605-25 ("ASC 605-25"), Revenue Recognition: Multiple-Element Arrangements, regarding revenue arrangements with multiple deliverables. ASU 2009-13 addresses how to determine whether an arrangement involving multiple deliverables contains more than one unit of accounting, and how the arrangement consideration should be allocated among the separate units of accounting. This ASU will be effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. Early adoption is permitted. The Group does not expect the adoption of ASU 2009-13 will have a material impact on the combined financial statements.

In October 2009, the FASB issued ASU 2009-14, which amends ASC985-605. The amendments in this ASU change the accounting model for revenue arrangements that include both tangible products and software elements. Transactions involving tangible products containing software components and non-software components those functions together to deliver the tangible product's essential functionality are no longer within the scope of the software revenue recognition guidance in ASC 985-605. In addition, the amendments in this ASU require that hardware components of a tangible product containing software components will always be excluded from software revenue recognition guidance. In that regard, the amendments in this ASU provide additional guidance on how to determine which software, if any, relating to the tangible product also would be excluded from the scope of the software revenue recognition guidance. The amendments in this ASU also provide guidance on how a vendor should allocate arrangement consideration between tangible products and software. This ASU will be effective for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. Early adoption is permitted. The Group does not expect the adoption of ASU 2009-13 will have a material impact on the combined financial statements.

3. CONCENTRATION OF RISKS

(a) Credit risk

Financial instruments that potentially subject the Group to significant concentrations of credit risk consist primarily of cash and cash equivalents, accounts receivable, other receivables and amounts due from a related party. As of December 31, 2009 and September 30, 2010, RMB5,176,000 and RMB2,395,000 (US$358,000), respectively, were deposited with major financial institutions located in the PRC. Management believes that these financial institutions are of high credit quality and continually monitors the credit worthiness of these financial institutions. Historically, deposits in Chinese banks are secure due to the state policy on protecting depositors' interests. However, China promulgated a new Bankruptcy Law in August 2006 that came into effect on June 1, 2007, which contains a separate article expressly stating that the State Council may promulgate implementation measures for the bankruptcy of Chinese banks based on the Bankruptcy Law. Under the new Bankruptcy Law, a Chinese bank may go into bankruptcy. In addition, since China's concession to the World Trade Organization, foreign banks have been gradually permitted to operate in China and have been significant competitors against

Chinese banks in many aspects, especially since the opening of the Renminbi business to foreign banks in late 2006. Therefore, the risk of bankruptcy of those Chinese banks in which the Group has deposits has increased. In the event of bankruptcy of one of the banks which holds the Group's deposits, it is unlikely to claim its deposits back in full since it is unlikely to be classified as a secured creditor based on PRC laws.

(b) Business, supplier, customer, and economic risk

The Group participates in a relatively dynamic and competitive industry that is heavily reliant operation excellence of the services. The Group believes that changes in any of the following areas could have a material adverse effect on the Group's future financial position, result of operations or cash flows:

(i) Business Risk—Third parties may develop technological or business model innovations that address network requirements in a manner that is, or is perceived to be, equivalent or superior to the Group's services. If competitors introduce services that compete with, or surpass the quality, price or performance of the Group's services, the Group may be unable to renew its agreements with existing customers or attract new customers at the prices and levels that allow the Group to generate reasonable rates of return on its investment.

(ii) Supplier Risk—Changes in key telecommunications resources suppliers and certain strategic relationships with telecom carriers. The Group's operations are dependent upon bandwidth or cabinet capacity provided by the third-party telecom carriers. There can be no assurance that the Group are adequately prepared for unexpected increases in bandwidth demands by its customers. The communications capacity the Group has leased may become unavailable for a variety of reasons, such as physical interruption, technical difficulties, contractual disputes, or the financial health of its third-party providers. Any failure of these network providers to provide the capacity the Group requires may result in a reduction in, or interruption of, service to its customers. For the year ended December 31, 2009, and the nine months ended September 30, 2010, 51% and 28% of bandwidth resources in term of costs were purchased from five telecom carriers, respectively. For the year ended December 31, 2009, two single carriers accounted for 26% and 10% of total bandwidth resources the Group purchased in term of costs, respectively.

(iii) Customer Risk—Revenue concentration on certain customers. The success of the Group's business going forward will rely in part on Group's ability to continue to obtain and expand business from existing customers while also attracting new customers. A significant portion of the Group's revenue is contributed by its 5 largest customers, who collectively accounted for 49% and 41% of total revenues for the year ended December 31, 2009 and the nine months ended September 30, 2010, respectively. For the year ended December 31, 2009, one single customer contributed 18% of the Group's total revenues. For the nine months ended September 30, 2010, two single customers contributed 13% and 12% of the Group's total revenue, respectively. The loss of sales from any of these customers would have a significant negative impact on the Group's business. Due to the Group's dependence on a limited number of customers, any negative events with respect to the Group's customers may cause material fluctuations or declines in the Group's revenue and have a material adverse effect on the Group's financial condition and results of operations.

(iv) Political, economic and social uncertainties. The Group's operations could be adversely affected by significant political, economic and social uncertainties in the PRC. Although the PRC government has been pursuing economic reform policies for more than 20 years, no assurance can be given that the PRC government will continue to pursue such policies or that such policies may not be significantly altered, especially in the event

of a change in leadership, social or political disruption or unforeseen circumstances affecting the PRC political, economic and social conditions. There is also no guarantee that the PRC government's pursuit of economic reforms will be consistent or effective.

4. ACCOUNTS RECEIVABLE, NET

Accounts receivable and allowance for doubtful accounts consist of the following:

	As of December 31, 2009	As of September 30, 2010	
	RMB'000	RMB'000	US$'000
Accounts receivable	21,849	13,806	2,064
Allowance for doubtful accounts	—	—	—
	21,849	13,806	2,064

As of December 31, 2009 and September 30, 2010, all accounts receivable were due from third party customers.

The Group has historically not encountered collectability problems and therefore, no allowance for doubtful accounts was recorded as of December 31, 2009 and September 30, 2010.

5. PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following:

	As of December 31, 2009	As of September 30, 2010	
	RMB'000	RMB'000	US$'000
At cost:			
Computer and network equipment	27,549	30,727	4,593
Motor vehicles	351	435	65
Office equipment	397	694	104
Leasehold improvements	—	879	131
	28,297	32,735	4,893
Less: Accumulated depreciation	(4,408)	(7,647)	(1,143)
	23,889	25,088	3,750

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NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2009 AND THE NINE MONTHS ENDED SEPTEMBER 30, 2010

Depreciation expenses were RMB2,034,000 and RMB4,685,000 (US$700,000) for the year ended December 31, 2009 and the nine months ended September 30, 2010, respectively, and was included in the following captions:

	For the year ended December 31, 2009	For the nine months ended September 30, 2010	
	RMB'000	RMB'000	US$'000
Cost of revenues	1,926	3,932	588
General and administrative expenses	108	753	112
	2,034	4,685	700

6. TAXATION

Enterprise income tax

In March 2007, a new PRC enterprise income tax law (the "New EIT Law") was enacted, which was effective on January 1, 2008. Among other changes, the New EIT Law provides a statutory tax rate of 25% and certain tax incentives for encouraged industries, activities and operations in particular geographic locations.

The current and deferred components of the income tax expenses appearing in the statement of operations are as follows:

	For the year ended December 31, 2009	For the nine months ended September 30, 2010	
	RMB'000	RMB'000	US$'000
Current	3,634	(1,824)	(273)
Deferred	(20)	(176)	(26)
	3,614	(2,000)	(299)

The reconciliation of tax computed by applying the statutory income tax rate of 25% for the year ended December 31, 2009 and the nine months ended September 30, 2010 applicable to the PRC operations to income tax expense is as follows:

	For the year ended December 31, 2009	For the nine months ended September 30, 2010	
	RMB'000	RMB'000	US$'000
Income before income taxes	960	441	66
Income tax computed at PRC statutory tax rate of 25%	240	110	16
Non-deductible expenses	216	400	61
Sales and cost cutoff	2,712	(2,798)	(419)
Interest expense of unrecognized tax benefits	71	288	43
Difference between tax provision under deemed profit method and statutory taxable income method	375	—	—
Income tax expense (benefit)	3,614	(2,000)	(299)

BEIJING CHENGYISHIDAI NETWORK TECHNOLOGY CO., LTD. AND ZHIBOXINTONG BEIJING NETWORK TECHNOLOGY CO., LTD.

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2009 AND THE NINE MONTHS ENDED SEPTEMBER 30, 2010

Deferred Tax

The significant components of deferred taxes are as follows:

	As of December 31, 2009	As of September 30, 2010	
	RMB'000	RMB'000	US$'000
Deferred tax assets			
Current			
Accrued expenses	52	55	8
Non-current			
Pre-operation expenses	12	7	1
Property and equipment	128	295	44
Net operating loss	—	12	2
Total deferred tax assets	192	369	55

DTA Realizability

In assessing the realizability of deferred tax assets, the Company has considered whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. The Company records a valuation allowance to reduce deferred tax assets to a net amount that management believes is more-likely-than-not realizable based on the weight of all available evidence. As of December 31, 2009 and September 30, 2010, the Company recorded zero valuation allowance.

Unrecognized Tax Benefits

As of December 31, 2009 and September 30, 2010, the Group recorded unrecognized tax benefits of RMB4,015,000 and RMB359,000 (US$54,000) for unrecognized tax benefits related to under-reported income. It is possible that the amount of unrecognized tax positions will change in the next 12 months, however, an estimate of the range of the possible change cannot be made at this time. All of the uncertain positions, if ultimately recognized, will impact the effective tax rate.

A roll-forward of accrued unrecognized tax benefits is as follows:

	For the year ended December 31, 2009	For the nine months ended September 30, 2010	
	RMB'000	RMB'000	US$'000
Balance at beginning of the year/period	661	3,944	589
Additions based on tax positions related to the current year	3,944	—	—
Reversal based on tax positions related to the current year	(661)	(3,944)	(589)
Balance at end of the year/period	3,944	—	—

BEIJING CHENGYISHIDAI NETWORK TECHNOLOGY CO., LTD. AND ZHIBOXINTONG BEIJING NETWORK TECHNOLOGY CO., LTD.

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2009 AND THE NINE MONTHS ENDED SEPTEMBER 30, 2010

In each of the periods ended December 31, 2009 and September 30, 2010, the Group recorded interest expense of RMB71,000 and RMB288,000 (US$43,000), respectively. In each of the periods ended December 31, 2009 and September 30, 2010, the Group recorded penalties of nil, respectively.

As of September 30, 2010, the tax years ended December 31, 2007 through December 31, 2009 for the PRC entities remain open for statutory examination by the PRC tax authorities.

7. RELATED PARTY TRANSACTIONS

a) Related parties

Name of Related Parties	Relationship with the Group
Mr. Cheng Ran	Controlling shareholder
Ms. Gao Hong	Wife of Mr. Cheng Ran

b) The Group had the following related party balance as of December 31, 2009:

	As of December 31, 2009	As of September 30, 2010	
	RMB'000	RMB'000	US$'000
Amount due from a related party Ms. Gao Hong	718	—	—

	As of December 31, 2009	As of September 30, 2010	
	RMB'000	RMB'000	US$'000
Amount due to a related party Mr. Cheng Ran (c)	3,042	—	—

c) The amount due to Mr. Cheng Ran is comprised mainly of the cash consideration due to Mr. Cheng Ran for the equity transfer of entities under common control (Note 1).

All balances with the related parties are unsecured, interest-free and repayable on demand.

8. AMOUNT DUE TO SHAREHOLDERS

	As of December 31, 2009	As of September 30, 2010	
	RMB'000	RMB'000	US$'000
Amount due to shareholders	—	20,000	2,989

On September 21, 2010 and November 5, 2010, the Group received advances from its shareholders amounting to RMB20,000,000 and RMB4,590,000 respectively, to fund the Group's working capital. The balances due to the shareholders are unsecured, interest-free and have no fixed repayment dates. The shareholders have represented that these advances due from the Group shall not fall due for repayment within the next twelve months.

BEIJING CHENGYISHIDAI NETWORK TECHNOLOGY CO., LTD. AND ZHIBOXINTONG BEIJING NETWORK TECHNOLOGY CO., LTD.

NOTES TO COMBINED FINANCIAL STATEMENTS—(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2009 AND THE NINE MONTHS ENDED SEPTEMBER 30, 2010

9. STATUTORY RESERVES

Under PRC law, the Group's entities are required to provide for certain statutory reserves, namely a general reserve, an enterprise expansion fund and a staff welfare and bonus fund annually. The entities are required to allocate at least 10% of their after tax profits on individual Group basis as determined under PRC GAAP to the general reserve and have the right to discontinue allocations to the general reserve if such reserve has reached 50% of registered capital. Appropriations to the enterprise expansion fund and staff welfare and bonus fund are at the discretion of the Board of Directors of the entity. These reserves can only be used for specific purposes and are not transferable to the Group in the form of loans, advances, or cash dividends.

As of December 31, 2009 and September 30, 2010, the Group had appropriated RMB1,119,000 and RMB 1,119,000 (US$167,000), in its statutory reserves.

10. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

Future minimum payments under non-cancelable operating leases as of September 30, 2010 are as follows:

	RMB'000	US$'000
2010—remainder	2,639	394
2011	3,345	500
	5,984	894

Payments under operating leases are expensed on a straight-line basis over the periods of their respective leases. The terms of the leases do not contain material rent escalation clauses or contingent rents.

Bandwidth purchase commitments

The Group has entered into a long-term contract to secure the supply of bandwidth in the event that the Group requires additional bandwidth capacity to support its customers. The Group is committed to make fixed quarterly payments to access bandwidth capacity, in addition to payments based on actual usage as and when the capacity is utilized. Future payments under this arrangement as of September 30, 2010 are as follows:

	RMB'000	US$'000
2010—remainder	446	67
2011	1,782	266
2012	1,782	266
2013	1,782	266
2014	1,782	266
2015 thereafter	9,310	1,392
	16,884	2,523

11. SUBSEQUENT EVENT

The Group has evaluated all subsequent events through December 17, 2010, which was also the date the combined financial statements were issued.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

On September 30, 2010, 21Vianet Group, Inc. (the "Company") acquired 51% equity interest in Beijing Chengyishidai Network Technology Co., Ltd. ("CYSD") and Zhiboxintong (Beijing) Network Technology Co., Ltd. ("ZBXT") for total purchase consideration of RMB172,439,000.

The following unaudited pro forma condensed combined statement of operations gives effect to the acquisition of CYSD and ZBXT, accounted for under the purchase method in accordance with Accounting Standards Codification ("ASC") Topic 805, "Business Combinations". The following unaudited pro forma condensed combined statement of operations for the year ended December 31, 2010 assumes the acquisition of CYSD and ZBXT had been effected on January 1, 2010. The historical results of the Company were derived from its consolidated statement of operations for its fiscal year ended December 31, 2010 and the historical results of CYSD and ZBXT were derived from the combined statement of operations for the nine months ended September 30, 2010, respectively, both included elsewhere in this prospectus.

The pro forma information is presented solely for informational purposes and is not necessarily indicative of the combined results of operations that might have been achieved for the period indicated, nor is it necessarily indicative of the future results of the combined company.

The pro forma adjustments are based upon available information and certain assumptions we believe are reasonable under the circumstances. The unaudited pro forma condensed combined statement of operations should be read in conjunction with the accompanying notes and assumptions and the historical financial statements of the Company and CYSD and ZBXT, included elsewhere in this prospectus.

21VIANET GROUP, INC.

UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2010

	21Vianet Group, Inc.	CYSD and ZBXT			Pro forma Combined
	For the year ended December 31, 2010	For the nine months ended September 30, 2010	Pro forma Adjustments	Note	For the year ended December 31, 2010
	RMB'000	RMB'000	RMB'000		RMB'000
Net revenues	525,203	125,427	(1,056)	4	649,574
Cost of revenues	(396,858)	(118,442)	(13,486)	1,4	(528,786)
Gross profit	128,345	6,985			120,788
Operating expenses:					
Sales and marketing expenses	(51,392)	(1,541)			(52,933)
General and administrative expenses	(282,298)	(4,253)	33	1	(286,518)
Research and development costs	(19,924)	—			(19,924)
Changes in the fair value of contingent purchase consideration payable	(7,537)	—			(7,537)
Operating (loss) profit	(232,806)	1,191			(246,124)
Interest income	580	7			587
Interest expense	(2,793)	—			(2,793)
Other income	1,152	—			1,152
Other expenses	(906)	(757)			(1,663)
Foreign exchange gain	1,646	—			1,646
(Loss) profit from continuing operations before income taxes	(233,127)	441			(247,195)
Income tax (expense) benefit	(1,588)	2,000	3,627	2	4,039
Net (loss) profit from continuing operations	(234,715)	2,441			(243,156)
Net (profit) loss attributable to non-controlling interest	(7,722)	—	4,136	3	(3,586)
Net (loss) profit attributable to ordinary shareholders	(242,437)	2,441			(246,742)
Earnings per share					
Basic	RMB(3.39)				RMB(3.45)
Diluted	RMB(3.39)				RMB(3.45)
Shares used in earnings per share computation:					
Basic	71,526,320				71,526,320
Diluted	71,526,320				71,526,320

21VIANET GROUP, INC.

NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Note 1

The aggregate purchase price of approximately RMB172,439,000 for the purchase of CYSD and ZBXT is comprised of the following:

	RMB'000
Current assets	18,500
Property and equipment, net	22,719
Contract backlog	2,540
Customer relationship	44,607
Vendor relationship	90,376
Licenses	1,320
Trade Name	15,300
Deferred tax assets, non-current	906
Total assets acquired	196,268
Account payables	15,752
Other current liabilities	8,827
Non-current liabilities	20,359
Deferred tax liability, non-current	38,536
Total liabilities assumed	83,474
Net assets acquired	112,794
Aggregate of:	
Purchase consideration	172,439
Non-controlling interests	98,019
Total	270,458
Goodwill	157,664

The purchase price allocation and intangible asset valuations described above were determined by the Company with the assistance of an independent third party valuation firm. The valuation report utilizes and considers generally accepted valuation methodologies such as the income, market and cost approach.

This adjustment of RMB 14,793,000 reflects an additional nine months of amortization of the acquired intangibles recorded for the nine months ended September 30, 2010, as a result of the acquisition of CYSD and ZBXT on September 30, 2010 as if the acquisition had been consummated on January 1, 2010.

This adjustment of RMB 284,000 reflects a reduction in depreciation expense for the nine months ended September 30, 2010, as if the acquisition had been consummated on January 1, 2010, given that the assigned estimated fair values are lower than the net book values as at the acquisition date.

21VIANET GROUP, INC.

NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION—(Continued)

	For the nine months ended September 30, 2010		
	Cost of revenues	General and administrative expenses	Total
	RMB'000	RMB'000	RMB'000
Amortization	14,793	—	14,793
Depreciation	(251)	(33)	(284)
Elimination of sales transaction (Note 4)	(1,056)	—	(1,056)
	13,486	(33)	13,453

Note 2

Reflects the adjustment to income tax expense based on the pro forma adjusting entries as discussed in Note 1.

Note 3

Reflects the adjustment to net profits attributable to 49% non-controlling interest in CYSD and ZBXT.

Note 4

Reflects the elimination adjustment relating to the sales transactions between the Company and CYSD and ZBXT of RMB1,056,000.

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

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 articles of association provide for indemnification of officers and directors for losses, damages, costs and expenses incurred in their capacities as such, except through their own dishonesty, fraud or wilful default.

Pursuant to the indemnification agreements, the form of which is filed as Exhibit 10.3 to this Registration Statement, we will agree to indemnify our directors and officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being such a director or officer.

The underwriting agreement, the form of which is filed as Exhibit 1.1 to this Registration Statement, will also provide for indemnification by the underwriters of us and our officers and directors for certain liabilities, including liabilities arising under the Securities Act, but only to the extent that such liabilities are caused by information relating to the underwriters furnished to us in writing expressly for use in this registration statement and certain other disclosure documents.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to 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.

ITEM 7. RECENT SALES OF UNREGISTERED SECURITIES.

During the past three years, we have issued the following securities (including options to acquire our ordinary shares) that were outstanding as of September 30, 2010. All shares in the following table give retrospective effect to a 10-for-1 share split that became effective on March 31, 2011.

Purchaser	Date of Sale or Issuance	Number of Securities	Consideration (US$)	Securities Registration Exemption
Purple Communications Limited	October 31, 2010	17,850,000 Ordinary Shares	N/A	Section 4(2) of the Securities Act
U-Media Holdings, Inc.	October 31, 2010	17,063,160 Ordinary Shares	N/A	Section 4(2) of the Securities Act
Smartpay Company Limited	October 31, 2010	11,113,160 Ordinary Shares	N/A	Section 4(2) of the Securities Act
Fast Horse Technology Limited	October 31, 2010	25,500,000 Ordinary Shares	N/A	Section 4(2) of the Securities Act
Sunrise Corporate Holding Ltd	December 31, 2010	24,826,090 Ordinary Shares	N/A	Section 4(2) of the Securities Act
TOA Capital Corporation	October 31, 2010	9,444,450 Series A1 preferred shares	N/A	Section 4(2) of the Securities Act
CBC IDC Limited	October 31, 2010	3,777,780 Series A1 preferred shares	N/A	Section 4(2) of the Securities Act
IP Cathay One, L.P.	October 31, 2010	5,666,670 Series A1 preferred shares	N/A	Section 4(2) of the Securities Act
Asuka DBJ Partners Co., Ltd. As general partner of Asuka DBJ investment LPS	October 31, 2010	3,400,010 Series A1 preferred shares	N/A	Section 4(2) of the Securities Act
Riselink Venture Capital Corp.	October 31, 2010	1,888,890 Series A1 preferred shares	N/A	Section 4(2) of the Securities Act
Parawin Venture Capital Corp.	October 31, 2010	944,440 Series A1 preferred shares	N/A	Section 4(2) of the Securities Act
Sinolinks Venture Capital Corp.	October 31, 2010	566,670 Series A1 preferred shares	N/A	Section 4(2) of the Securities Act

Purchaser	Date of Sale or Issuance	Number of Securities	Consideration (US$)	Securities Registration Exemption
Hua VII Venture Capital Corporation	October 31, 2010	1,133,330 Series A1 preferred shares	N/A	Section 4(2) of the Securities Act
Vincera Growth Capital I Limited	October 31, 2010	755,560 Series A1 preferred shares	N/A	Section 4(2) of the Securities Act
China Resources Development Company Limited	October 31, 2010	2,455,560 Series A1 preferred shares	N/A	Section 4(2) of the Securities Act
So-net Entertainment Corporation	October 31, 2010	377,770 Series A1 preferred shares	N/A	Section 4(2) of the Securities Act
Jessy Assets Limited	October 31, 2010	5,944,580 Series A2 preferred shares	N/A	Section 4(2) of the Securities Act
Jessy Assets Limited	October 31, 2010	5,052,630 Series A3 preferred shares	N/A	Section 4(2) of the Securities Act
TOA Capital Corporation	October 31, 2010	5,052,630 Series B1 preferred shares	N/A	Section 4(2) of the Securities Act
IP Cathay One, L.P.	October 31, 2010	5,052,630 Series B1 preferred shares	N/A	Section 4(2) of the Securities Act
So-net Entertainment Corporation	October 31, 2010	336,840 Series B1 preferred shares	N/A	Section 4(2) of the Securities Act
Asuka DBJ Partners Co., Ltd. As general partner of Asuka DBJ investment LPS	October 31, 2010	505,270 Series B1 preferred shares	N/A	Section 4(2) of the Securities Act
Granite Global Ventures III L.P.	October 31, 2010	15,909,710 Series B2 preferred shares	N/A	Section 4(2) of the Securities Act
GGV III Entrepreneurs Fund L.P.	October 31, 2010	250,870 Series B2 preferred shares	N/A	Section 4(2) of the Securities Act
Trinity Ventures IX, L.P.	October 31, 2010	7,848,950 Series B2 preferred shares	N/A	Section 4(2) of the Securities Act
Trinity IX Side-By-Side Fund, L.P.	October 31, 2010	101,860 Series B2 preferred shares	N/A	Section 4(2) of the Securities Act
Trinity IX Entrepreneurs' Fund, L.P.	October 31, 2010	133,390 Series B2 preferred shares	N/A	Section 4(2) of the Securities Act
WI Harper INC Fund VI Ltd	October 31, 2010	4,715,780 Series B2 preferred shares	N/A	Section 4(2) of the Securities Act
Matrix Partners China I, L.P.	October 31, 2010	14,680,910 Series B2 preferred shares	N/A	Section 4(2) of the Securities Act
Meritech Capital partners III L.P.	October 31, 2010	13,232,490 Series B2 preferred shares	N/A	Section 4(2) of the Securities Act
Meritech Capital Affiliates III L.P.	October 31, 2010	241,180 Series B2 preferred shares	N/A	Section 4(2) of the Securities Act
Matrix Partners China I-A,L.P.	October 31, 2010	1,487,490 Series B2 preferred shares	N/A	Section 4(2) of the Securities Act
Granite Global Ventures III L.P.	January 14, 2011	10,457,600 Series C1 Preferred Shares	N/A	Section 4(2) of the Securities Act
GGV III Entrepreneurs Fund L.P.	January 14, 2011	170,040 Series C1 Preferred Shares	N/A	Section 4(2) of the Securities Act
Matrix Partners China I, L.P.	January 14, 2011	3,473,960 Series C1 Preferred Shares	N/A	Section 4(2) of the Securities Act
Matrix Partners China I-A, LP	January 14, 2011	351,990 Series C1 Preferred Shares	N/A	Section 4(2) of the Securities Act
SMC Synapse Partners Limited	January 14, 2011	3,507,120 Series C1 Preferred Shares	N/A	Section 4(2) of the Securities Act
Meritech Capital Partners III L.P.	January 14, 2011	3,444,340 Series C1 Preferred Shares	N/A	Section 4(2) of the Securities Act
Meritech Capital Affiliates III LP	January 14, 2011	62,780 Series C1 Preferred Shares	N/A	Section 4(2) of the Securities Act
IP Cathay II, L.P.	January 14, 2011	2,656,910 Series C1 Preferred Shares	N/A	Section 4(2) of the Securities Act
CBC IDC Limited	January 14, 2011	2,656,910 Series C1 Preferred Shares	N/A	Section 4(2) of the Securities Act
Trinity Ventures IX, L.P.	January 14, 2011	2,068,140 Series C1 Preferred Shares	N/A	Section 4(2) of the Securities Act
Trinity IX Side by Side Fund, LP	January 14, 2011	25,510 Series C1 Preferred Shares	N/A	Section 4(2) of the Securities Act
Trinity IX Entrepreneurs Fund, LP	January 14, 2011	31,880 Series C1 Preferred Shares	N/A	Section 4(2) of the Securities Act
Smartpay Company Limited	January 14, 2011	2,125,530 Series C1 Preferred Shares	N/A	Section 4(2) of the Securities Act
WI Harper INC Fund VI Ltd.	January 14, 2011	850,220 Series C1 Preferred Shares	N/A	Section 4(2) of the Securities Act
Cisco Systems International, B.V.	February 17, 2011	5,318,320 Series C1 Preferred Shares	N/A	Section 4(2) of the Securities Act

ITEM 8. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Exhibits

See the Exhibit Index beginning on page II-8 of this registration statement.

The agreements included as exhibits to this registration statement contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties were made solely for the benefit of the other parties to the applicable agreement and (i) were not intended to be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate; (ii) may have been qualified in such agreement by disclosures that were made to the other party in connection with the negotiation of the applicable agreement; (iii) may apply contract standards of "materiality" that are different from "materiality" under the applicable securities laws; and (iv) were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement.

We acknowledge that, notwithstanding the inclusion of the foregoing cautionary statements, we are responsible for considering whether additional specific disclosures of material information regarding material contractual provisions are required to make the statements in this registration statement not misleading.

(b) Financial Statement Schedules

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the Consolidated Financial Statements or the Notes thereto.

ITEM 9. UNDERTAKINGS.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 6, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act, and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant under Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) For the purpose of determining liability under the Securities Act to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness; provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(4) For the purpose of determining any liability under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Beijing, China, on April 4, 2011.

21Vianet Group, Inc.

By: /s/ Sheng Chen

Name: **Sheng Chen**
Title: **Chairman of Board of Directors and Chief Executive Officer**

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints each of Sheng Chen and Shang-Wen Hsiao as attorneys-in-fact with full power of substitution, for him or her in any and all capacities, to do any and all acts and all things and to execute any and all instruments which said attorney and agent may deem necessary or desirable to enable the registrant to comply with the Securities Act of 1933, as amended, or the Securities Act, and any rules, regulations and requirements of the Securities and Exchange Commission thereunder, in connection with the registration under the Securities Act of ordinary shares of the registrant, or the Shares, including, without limitation, the power and authority to sign the name of each of the undersigned in the capacities indicated below to the Registration Statement on Form F-1, or the Registration Statement, to be filed with the Securities and Exchange Commission with respect to such Shares, to any and all amendments or supplements to such Registration Statement, whether such amendments or supplements are filed before or after the effective date of such Registration Statement, to any related Registration Statement filed pursuant to Rule 462(b) under the Securities Act, and to any and all instruments or documents filed as part of or in connection with such Registration Statement or any and all amendments thereto, whether such amendments are filed before or after the effective date of such Registration Statement; and each of the undersigned hereby ratifies and confirms all that such attorney and agent shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities and on April 4, 2011.

Signature	Title
/s/ Sheng Chen **Name: Sheng Chen**	Chairman of the Board of Directors and Chief Executive Officer (principal executive officer)
/s/ Yoshihisa Ueno **Name: Yoshihisa Ueno**	Director
/s/ David Ying Zhang **Name: David Ying Zhang**	Director
/s/ Hongwei Jenny Lee **Name: Hongwei Jenny Lee**	Director
/s/ Shang-Wen Hsiao **Name: Shang-Wen Hsiao**	President and Chief Financial Officer (principal financial and accounting officer)

SIGNATURE OF AUTHORIZED REPRESENTATIVE IN THE UNITED STATES

Pursuant to the Securities Act, the undersigned, the duly authorized representative in the United States of 21Vianet Group, Inc., has signed this registration statement or amendment thereto in New York, on April 4, 2011.

Authorized U.S. Representative

By: /s/ Kate Ledyard
Name: **Kate Ledyard**
Title: **Manager**

21Vianet Group, Inc.

EXHIBIT INDEX

Exhibit Number	Description of Document
1.1*	Form of Underwriting Agreement
3.1	Third Amended and Restated Memorandum and Articles of Association of the Registrant, as currently in effect
3.2	Fourth Amended and Restated Memorandum and Articles of Association of the Registrant (effective upon the closing of this offering)
4.1*	Registrant's Specimen American Depositary Receipt (included in Exhibit 4.3)
4.2	Registrant's Specimen Certificate for Class A Ordinary Shares
4.3*	Form of Deposit Agreement, among the Registrant, the depositary and all holders and Beneficial Owners of American Depositary Shares issued thereunder
4.4	Amended and Restated Shareholders' Agreement dated January 14, 2011, among the Registrant and the holders of Series A, Series B and Series C preferred shares
4.5	Amendment No. 1 to the Amended and Restated Shareholders' Agreements dated February 17, 2011, among the Registrant and the holders of Series A, Series B and Series C preferred shares
4.6	Amended and Restated Registration Rights Agreement dated January 14, 2011, among the Registrant and the holders of Series A, Series B and Series C preferred shares
4.7	Joinder to the Registration Rights Agreement dated February 16, 2011, by Cisco Systems International, B.V.
5.1	Opinion of Maples & Calder regarding the validity of the ordinary shares being registered
8.1	Form Opinion of Skadden, Arps, Slate, Meagher & Flom LLP regarding certain U.S. tax matters
8.2	Opinion of Maples & Calder regarding certain Cayman Island tax matters (included in Exhibit 5.1)
8.3	Form Opinion of King & Wood regarding certain PRC law matters
10.1	English translation of Purchase Agreement dated September 21, 2010, among Beijing 21Vianet Broad Band Data Center Co., Ltd., Beijing Shidaitonglian Technology, Beijing Chengyishidai Network Technology Co., Ltd, Zhiboxintong (Beijing) Network Technology Co., Ltd., Ran Cheng, Fahua Xue and Chenghua Hong
10.2	Performance Incentive Agreement dated September 30, 2010, among Beijing Shidaitonglian Technology, Beijing Chengyishidai Network Technology Co., Ltd., Zhiboxintong (Beijing) Network Technology Co., Ltd., Ran Cheng, the Registrant and 21ViaNet Broadband Limited.
10.3	Form of Indemnification Agreement between the Registrant and its directors and relevant schedule
10.4	Form of Employment Agreement between the Registrant and an Executive Officer of the Registrant and relevant schedule
10.5	English translation of Loan Agreement dated January 28, 2011, between 21Vianet Data Center Company Limited and the shareholders of Beijing aBitCool Network Technology Co., Ltd.
10.6	English translation of Share Pledge Agreement dated February 23, 2011, among 21Vianet Data Center Company Limited, Beijing aBitCool Network Technology Co., Ltd. and the shareholders of Beijing aBitCool Network Technology Co., Ltd.
10.7	English translation of Form Irrevocable Power of Attorney, by the shareholders of Beijing aBitCool Network Technology Co., Ltd.
10.8	English Translation of Power of Attorney dated September 30, 2010, by 21Vianet Data Center Company Limited.
10.9	Exclusive Technical Consulting and Services Agreement dated September December 19, 2006, between 21Vianet Data Center Company Limited and Beijing aBitCool Network Technology Co., Ltd.

Exhibit Number	Description of Document
10.10	Optional Share Purchase Agreement dated December 19, 2006, among 21Vianet Data Center Company Limited, Beijing aBitCool Network Technology Co., Ltd. (previously known as 21ViaNet System Limited), Beijing 21Vianet Broad Band Data Center Co., Ltd. and the shareholders of Beijing aBitCool Network Technology Co., Ltd.
10.11	Confirmation Letter dated March 30, 2011, by Ran Cheng
10.12	2010 Share Incentive Plan, as amended on January 14, 2011
10.13	English translation of Form of Service Agreement of Beijing aBitCool Network Technology Co., Ltd.
10.14	English translation of Broadband Internet Access Agreement dated May 2010, between Beijing 21Vianet Broad Band Data Center Co., Ltd. and Shanghai Guotong Network Co., Ltd.
10.15	English translation of Equipment and Cabinet Lease Agreement dated April 14, 2010 and its supplemental agreement, between 21Vianet (Xi'an) Information Outsourcing Industry Park Services Co., Ltd. and 21Vianet Xi'an Technology Limited.
10.16	English translation of Energy and Technology Service Agreement dated December 1, 2010, between 21Vianet (Xi'an) Information Outsourcing Industry Park Services Co., Ltd. and 21Vianet Xi'an Technology Limited.
10.17	English translation of Sale and Purchase Agreement dated November 24, 2010, between 21Vianet (Xi'an) Information Outsourcing Industry Park Services Co., Ltd. and 21Vianet Xi'an Technology Limited.
10.18	English translation of IDC Data Center Outsourcing Services Agreement dated June 28, 2009, between Beijing 21Vianet Broad Band Data Center Co., Ltd. and 21Vianet Engineering Technology Services Co., Ltd.
10.19	English translation of Form Asset Transfer Agreement
10.20	English translation of Premise Lease Agreement dated April 30, 2010, between BOE Estate Management Division and Beijing 21Vianet Broad Band Data Center Co., Ltd.
10.21	English translation of Premise Lease Agreement dated August 12, 2009, between BOE Estate Management Division and Beijing 21Vianet Broad Band Data Center Co., Ltd.
21.1	Subsidiaries of the Registrant
23.1	Consents of Ernst & Young Hua Ming, Independent Registered Public Accounting Firm
23.2	Consent of Maples & Calder (included in Exhibit 5.1)
23.3	Consent of Skadden, Arps, Slate, Meagher & Flom LLP (included in Exhibit 8.1)
23.4	Consent of King & Wood
23.5	Consent of Terry Wang, an independent director appointee
24.1	Powers of Attorney (included on signature page)
99.1	Code of Business Conduct and Ethics of the Registrant

* To be filed by amendment.

Exhibit 3.1

Execution Version

THE COMPANIES LAW (2010 REVISION)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES

THIRD AMENDED AND RESTATED MEMORANDUM AND ARTICLES

OF

ASSOCIATION

OF

21VIANET GROUP, INC.

(adopted by special resolution of Members passed on February 17, 2011)

THE COMPANIES LAW (2010 REVISION)

COMPANY LIMITED BY SHARES

THIRD AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION

OF

21VIANET GROUP, INC.
(adopted by special resolution of members passed on February 17, 2011)

1. The name of the Company is **21Vianet Group, Inc**.

2. The Registered Office of the Company shall be located at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104 Cayman Islands or at such other place as the directors may from time to time determine.

3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Law (2010 Revision) or as the same may be revised from time to time, or any other law of the Cayman Islands.

4. The liability of each Member is limited to the amount from time to time unpaid on such Member's shares.

5. The share capital of the Company is US$7,700 divided into (i) 62,183,707 Ordinary Shares with a par value of US$0.0001 each and (ii) 14,816,293 preferred shares with a par value of US$0.0001 each of which (A) 3,041,113 shares are preferred shares designated as Series A1 Preferred Shares with a par value of US$0.0001 each, (B) 594,458 shares are preferred shares designated as Series A2 Preferred Shares with a par value of US$0.0001 each, (C) 505,263 shares are preferred shares designated as Series A3 Preferred Shares with a par value of US$0.0001 each, (D) 1,094,737 shares are redeemable preferred shares designated as Series B1 Preferred Shares with a par value of US$0.0001 each, (E) 5,861,047 shares are redeemable preferred shares designated as Series B2 Preferred Shares with a par value of US$0.0001 each, and (F) 3,719,675 shares are preferred shares designated as Series C1 Preferred Shares with a par value of US$0.0001 each, and, in each case, having such powers, preferences, rights, qualifications, limitation and restrictions attached thereto as set out in the Articles of Association of the Company.

6. The Company has power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

7. Capitalized terms that are not defined in this Memorandum of Association bear the same meaning as those given in the Articles of Association of the Company.

THE COMPANIES LAW (2010 REVISION)

COMPANY LIMITED BY SHARES

THIRD AMENDED AND RESTATED
ARTICLES OF ASSOCIATION

OF

21VIANET GROUP, INC.
(adopted by special resolution of members passed on February 17, 2011)

1. In these Articles, the regulations in Table A in the Schedule to the Companies Law (Revised) do not apply, and unless there be something in the subject or context inconsistent therewith:

"Affiliate"	means in respect of any specified person or entity, a person who directly or indirectly Controls, is Controlled by or under common Control with such specified person or entity, and for the avoidance of doubt, shall include limited partners of Members.
"Articles"	means these Articles as originally framed or amended as from time to time.
"Auditors"	means the persons for the time being performing the duties of auditors of the Company.
"Board" or "Board of Directors"	means the board of Directors.
"Business Day"	means a day (other than a Saturday or Sunday) on which banks are open for business in Hong Kong Special Administrative Region, and also in the People's Republic of China.
"Class A Ordinary Share"	means, upon and after the time immediately prior to the completion of the Qualified IPO, a Class A Ordinary Share in the capital of the Company with a par value of US$0.0001 per share.

“Class B Ordinary Share”	means, upon and after the time immediately prior to the completion of the Qualified IPO, a Class B Ordinary Share in the capital of the Company with a par value of US$0.0001 per share.
“Company”	means the above-named 21Vianet Group, Inc. (formerly known as AsiaCloud Inc.)
“Control”	means, in relation to any person at any time, the power (whether directly or indirectly and whether by ownership of share capital, possession of voting power, contact or otherwise) to appoint the majority of the Members of the governing body or management, or otherwise to control the affairs and policies of that other person. (The terms “Controlling” and “Controlled” have meanings correlative to the foregoing)
“Conversion Date”	means the date specified in any notice served by a holder of Preferred Shares electing to convert such shares in accordance with Article 15 or the date on which automatic conversion is to occur in accordance with Article 17.
“Conversion Price”	has the meaning given thereto in Article 16 and as adjusted pursuant to these Articles.
“Convertible Securities”	means any shares or other securities convertible into or exchangeable for Ordinary Shares.
“Debenture”	means debenture stock, mortgages, bonds and any other such securities of the Company, whether constituting a charge on the assets of the Company or not.
“Deemed Original Purchase Price”	means with respect to (i) Series A1 Preferred Shares, US$4.5 per share; (ii) with respect to Series A2 Preferred Shares, US$7.6586 per share; (iii) with respect to Series A3 Preferred Shares, US$5.04688 per share; (iv) with respect to Series B1 Preferred Shares, US$ 5.04688 per share; (v) with respect to Series B2 Preferred Shares, US$6.3086 per share; and (vi) with respect to Series C1 Preferred Shares, US$9.40943 per share.

"Directors"	means the directors for the time being of the Company.
"Dividend"	includes bonus.
"Dollars" or "US $"	refers to the dollar currency of the United States of America and references to cents or ¢ should be construed accordingly.
"Founders"	has the same meaning as in the Shareholders Agreement.
"Group"	means the Company and all of its Subsidiaries, and "**Group Company**" means any one of them.
"Law"	means the Companies Law (2010 Revision) of the Cayman Islands.
"Member"	means a duly registered holder from time to time of the shares in the share capital of the Company and shall include a holder of Preferred Shares.
"Month"	means calendar month.
"Options"	means rights, options or warrants to subscribe for, purchase or otherwise acquire Ordinary Shares or Convertible Securities.
"Ordinary Shares"	before the time immediately prior to the completion of the Qualified IPO, the Ordinary Shares of a par value of US$0.0001 each in the share capital of the Company and, upon and after the time immediately prior to the completion of the Qualified IPO, means Class A Ordinary Shares and Class B Ordinary Shares, collectively.
"Preferred Shareholders"	means holders of Preferred Shares and "**Preferred Shareholder**" means any one of them.
"Preferred Shares"	means the Series A Preferred Shares, the Series B Preferred Shares and the Series C Preferred Shares.

"Pre-IPO Shareholders"	means the then holders of the Company's Ordinary Shares and Preferred Shares immediately prior to the completion of the Qualified IPO.
"**Qualified IPO"**	means an underwritten initial public offering of Ordinary Shares that has been registered under the relevant Securities Act and on a stock exchange that is to the satisfaction of the Board of Directors with post money valuation of no less than US$ 400 million and for gross proceeds of at least US$80 million (including primary and secondary shares if any).
"Recapitalization"	means any share split, share dividend, share combination or consolidation or other recapitalization in relation to the shares of the Company.
"Registered Office"	means the registered office for the time being of the Company.
"Seal"	means the common seal of the Company and includes every duplicate seal.
"Secretary"	includes an Assistant Secretary and any person appointed by the Board of Directors to perform the duties of Secretary of the Company.
"Securities Act"	means the United States Securities Act of 1933, as amended, or, where reference to the term is in connection with a public offering the term shall include comparable securities laws and regulations of any non-U.S. jurisdiction.
"Series A Preferred Shares"	means the Series A1 Preferred Shares, the Series A2 Preferred Shares and the Series A3 Preferred Shares.
"Series A1 Preferred Shares"	means shares in the capital of the Company of US $0.0001 par value designated as Series A1 Preferred Shares and having the rights provided for in these Articles.
"Series A2 Preferred Shares"	means shares in the capital of the Company of US $0.0001 par value designated as Series A2 Preferred Shares and having the rights provided for in these Articles.

“Series A3 Preferred Shares”	means shares in the capital of the Company of US $0.0001 par value designated as Series A3 Preferred Shares and having the rights provided for in these Articles.
“Series B Preferred Shares”	means the Series B1 Preferred Shares and the Series B2 Preferred Shares.
“Series B1 Preferred Shares”	means shares in the capital of the Company of US$0.0001 par value designated as redeemable Series B1 Preferred Shares and having the rights provided for in these Articles.
“Series B2 Preferred Shares”	means shares in the capital of the Company of US$0.0001 par value designated as redeemable Series B2 Preferred Shares and having the rights provided for in these Articles.
“Series C Preferred Shares”	means the Series C1 Preferred Shares.
“Series C1 Preferred Shares”	means shares in the capital of the Company of US$0.0001 par value designated as redeemable Series C1 Preferred Shares and having the rights provided for in these Articles.
“shares”	shall be construed as a reference to shares of the Company from time to time in issue and includes fractions of shares (except as otherwise provided herein).
“Shareholders Agreement”	means the Amended and Restated Shareholders Agreement entered or to be entered into by (inter alia) the Company and the Members at or about the adoption of this Amended and Restated Memorandum and Articles of Association of the Company.
“Special Resolution”	has the same meaning in the Law, and includes a unanimous written resolution.
“Subsidiary”	includes any and all entities the financial results of which should be consolidated into the Company’s financial results under the generally accepted accounting principles in the United States, including the Company’s direct or indirect subsidiaries and affiliated entities.

"Trade Sale"	(a) the sale, lease or other disposition (in one or a series of related transactions) of all or substantially all of the Company's assets to one entity or a group of entities acting in concert, including a sale (or multiple related sales) of one or more Subsidiaries (whether by way of merger, consolidation, recapitalization, reclassification, reorganization or sale of all or substantially all of the assets or securities) which constitute all or substantially all of the consolidated assets or business of the Company, (b) the sale, exchange or transfer, in one or a series of related transactions, of a majority of the outstanding share capital of the Company to one entity or a group of entities acting in concert, under circumstances in which the holders of a majority in voting power of the outstanding share capital of the Company immediately prior to such transaction beneficially own less than a majority in voting power of the outstanding share capital of the Company or the acquiring entity immediately following such transaction, or (c) a merger, consolidation, amalgamation, recapitalization, reclassification, reorganization or similar business combination transaction involving the Company under circumstances in which holders of a majority in voting power of the capital stock of the Company immediately prior to such transaction beneficially own less than a majority in voting power of the outstanding share capital of the Company, or the surviving or resulting corporation or acquirer, as the case may be, immediately following such transaction.
"Written" and "in writing"	include all modes of representing or reproducing words in visible form, including in the form of an electronic record.

Words importing the singular number include the plural number and vice versa.

Words importing the masculine gender include the feminine gender.

Words importing persons include corporations.

A reference to a “majority” of the Preferred Shareholders means (i) if there are more than two Preferred Shareholders, the Preferred Shareholders holding more than 50% of the aggregate nominal value of all Shares and Convertible Securities held by all the Preferred Shareholders; and (ii) if there are not more than two Preferred Shareholders, all the Preferred Shareholder(s).

2. The business of the Company may be commenced as soon after incorporation as the Board of Directors shall see fit, notwithstanding that only part of the shares may have been allotted.

3. The Board of Directors may pay, out of the capital or any other monies of the Company, all expenses incurred in or about the formation and establishment of the Company including the expenses of registration.

Certificate for Shares

4. Certificates representing shares of the Company shall be in such form as shall be determined by the Board of Directors. Such certificates shall be under seal and affixed with appropriate legends. All certificates for shares shall be consecutively numbered or otherwise identified and shall specify the shares to which they relate. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered in the register of members of the Company. All certificates surrendered to the Company for transfer shall be cancelled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and cancelled. The Board of Directors may authorize certificates to be issued with the seal and authorized signature(s) affixed by some method or system of mechanical process.

5. Notwithstanding Article 4 of these Articles, if a share certificate be defaced, lost or destroyed, it may be renewed on payment of a fee of one dollar (US $1.00) or such less sum and on such terms (if any) as to evidence and indemnity and the payment of the expenses incurred by the Company in investigating evidence, as the Board of Directors may prescribe.

Issue of Shares, Designation, Powers and Conversion of Shares After the Time
Immediately Prior to the Completion of a Qualified Public Offering

6. (a) At the date of the adoption of these Articles and prior to the completion of the Qualified IPO, the Company is authorised to issue (i) 62,183,707 Ordinary Shares with a par value of US$0.0001 each and (ii) 14,816,293 preferred shares with a par value of US$0.0001 each of which (A) 3,041,113 shares are preferred shares designated as Series A1 Preferred Shares with a par value of US$0.0001 each, (B) 594,458 shares are preferred shares designated as Series A2 Preferred Shares with a par value of US$0.0001 each, (C) 505,263 shares are preferred shares designated as Series A3 Preferred Shares with a par value of US$0.0001 each, (D) 1,094,737 shares are redeemable preferred shares designated as Series B1 Preferred Shares with a par value of US$0.0001 each, (E) 5,861,047 shares are redeemable preferred shares designated as Series B2 Preferred Shares with a par value of US$0.0001 each, and (F) 3,719,650 shares are redeemable preferred shares designated as Series C1 Preferred Shares with a par value of US$0.0001 each, and, in each case, having such powers, preferences, rights, qualifications, limitation and restrictions attached thereto as set out in these Articles.

(b) The powers, preferences and rights, and the qualifications, limitations or restrictions thereof in respect to the Ordinary Shares and the Preferred Shares shall be subject as herein provided.

(c) Subject as herein provided, all shares of the Company for the time being unallotted and unissued shall be under the control of the Board of Directors who may allot, issue or grant options over or otherwise dispose of shares of the Company with or without preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise, and to such persons at such times and on such other terms as they think proper. All shares shall be issued fully paid.

6A. Immediately prior to the completion of the Qualified IPO, all Ordinary Shares held by Pre-IPO Shareholders shall be automatically re-designated as Class B Ordinary Shares, and all other Ordinary Shares shall be automatically re-designated as Class A Ordinary Shares.

6B. Immediately prior to the completion of the Qualified IPO, the authorised share capital of the Company will be US$7,700 divided into (i) such number of Class A Ordinary Shares with a par value of US$0.0001 each as is determined in accordance with Article 6A, (ii) such number of Class B Ordinary Shares with a par value of US$0.0001 each as is determined in accordance with Article 6A and (iii) 14,816,293 preferred shares with a par value of US$0.0001, of which (A) 3,041,113 shares are preferred shares designated as Series A1 Preferred Shares with a par value of US$0.0001 each, (B) 594,458 shares are preferred shares designated as Series A2 Preferred Shares with a par value of US$0.0001 each, (C) 505,263 shares are preferred shares designated as Series A3 Preferred Shares with a par value of US$0.0001 each, (D) 1,094,737 shares are redeemable preferred shares designated as Series B1 Preferred Shares with a par value of US$0.0001 each, (E) 5,861,047 shares are redeemable preferred shares designated as Series B2 Preferred Shares with a par value of US$0.0001 each, and (F) 3,719,675 shares are preferred shares designated as Series C1 Preferred Shares with a par value of US$0.0001 each, and, in each case, having such powers, preferences, rights, qualifications, limitation and restrictions attached thereto as set out in the Articles of Association of the Company.

6.C Upon and after the time immediately prior to the completion of the Qualified IPO, at all general meetings of the Company where a poll is requested: (a) each holder of each Class A Ordinary Share issued and outstanding shall be entitled to one vote on all matters subject to the vote at general meetings of the Company, and (b) each holder of each Class B Ordinary Share shall be entitled to ten (10) votes on all matters subject to the vote at general meetings of the Company.

6D. Ordinary Share Conversion

After the time immediately prior to the completion of the Qualified IPO, each Class B Ordinary Share is convertible into one (1) Class A Ordinary Share at any time by the holder thereof. Class A Ordinary Shares are not convertible into Class B Ordinary Shares or Preferred Shares under any circumstances. A conversion of Class B Ordinary Shares to Class A Ordinary Shares shall be effected by way of compulsory repurchase by the Company of the relevant Class B Ordinary Shares for a repurchase price equal to the original issue price for each Class B Ordinary Share and the issue of Class A Ordinary Shares for a subscription price equal to the repurchase price for the equal number of Class B Ordinary Shares.

Subject to the Law and notwithstanding any other provisions of these Articles, upon any transfer of Class B Ordinary Shares by a holder thereof to any person or entity which is not an Affiliate of such holder, such Class B Ordinary Shares shall be automatically and immediately converted into the equal number of Class A Ordinary Shares.

The Class A or Class B Ordinary Shares into which a holder is entitled in exercising his/her right to convert:

(A) shall be credited as fully paid;

(B) shall rank *pari passu* in all respects and form one class with the Class A Ordinary Shares or the Class B Ordinary Shares then in issue, as applicable; and

(C) entitle the holder to be paid an appropriate proportion of all dividends and other distributions declared, made or paid on Ordinary Shares in respect of the calendar year in which the relevant conversion date falls, but not in respect of an earlier financial year.

7. The Company shall maintain a register of its members and every person whose name is entered as a Member in the register of members shall be entitled without payment to receive within two (2) months after allotment or lodgment of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares or several certificates each for one or more of his shares upon payment of fifty cents (US $0.50) for every certificate after the first or such less sum as the Board of Directors shall from time to time determine, PROVIDED THAT in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of the several joint holders shall be sufficient delivery to all such holders.

Rights of First Offer

8. (a) Subject to the terms and conditions specified in this Article 8, each Member shall have a right of first offer to purchase its Pro Rata Share (as hereinafter defined) with respect to future sales or issuances by the Company of its New Shares (as hereinafter defined). For purposes of this Article 8, a holder of Preferred Shares includes any of its general partners and affiliates. In the case of a holder of Preferred Shares, it shall be entitled to apportion its right of first offer under this Article 8 among itself and its partners and affiliates in such proportions as it deems appropriate. For purposes of this Article 8 only, "**Pro Rata Share"** shall mean the ratio of (x) the number of Ordinary Shares (including Ordinary Shares issuable upon conversion of Preferred Shares or upon the exercise of all outstanding options and warrants (if any)) then owned by such Member to (y) the total number of Ordinary Shares (including Ordinary Shares issuable upon conversion of Preferred Shares or upon the exercise of all outstanding options and warrants (if any)) then owned by all Members as calculated immediately prior to the issuance of the New Shares.

(b) Each time the Company proposes to offer any shares of, or securities convertible into or exchangeable or exercisable for any shares of, any class of its share capital ("**New Shares**"), the Company shall first make an offering of such New Shares to all the Members in accordance with the following provisions.

(i) The Company shall deliver a notice ("**Offer Notice**") to each Member stating (x) its bona fide intention to offer such New Shares, (y) the number of such New Shares to be offered, and (z) the price and terms upon which it proposes to offer such New Shares.

(ii) By written notification received by the Company, within twenty (20) days after receipt of the Offer Notice, a Member may elect to purchase, at the price and on the terms specified in the Offer Notice, up to such Member's Pro Rata Share. If a Member elects not to exercise its right to purchase such New Shares (the "**Unsubscribed Shares**") within such 20-day period, the Company shall promptly inform in writing those Members who elect to exercise their rights to purchase and such Members will have an additional seven (7) days to exercise an over allotment right to purchase the remaining Unsubscribed Shares, according to their Pro Rata Share.

(iii) If all New Shares referred to in the Offer Notice that the Members are entitled to purchase pursuant to Article 8(b) are not elected to be purchased as provided therein, the Company may, during the sixty (60) day period following the expiration of the period provided in Article 8(b) hereof, offer the Unsubscribed Shares that were not purchased, either directly or by virtue of an exercise of the over allotment right the Members have pursuant to Article 8(b), to any person or persons at a price not less than, and upon terms no more favorable to the offeree than those specified in the Offer Notice. If the Company does not enter into an agreement for the sale of the New Shares within such period, or if such agreement is not consummated within ninety (90) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Shares shall not be offered unless first reoffered to all the Members in accordance herewith.

(c) The right of first offer in this Article 8 shall not be applicable to:

(i) Ordinary Shares issued or issuable to officers, directors and employees of, or consultants to, any Group Company pursuant to share grants, option plans, purchase plans or other employee share incentive programs or arrangements approved by the Board;

(ii) Ordinary Shares issued upon the exercise or conversion of options or convertible securities of the Company outstanding as of the date of adoption of these Articles;

(iii) Ordinary Shares or Preferred Shares issued or issuable as a dividend or distribution on the Ordinary Shares or Preferred Shares or pursuant to any event for which adjustment is made pursuant to the Company's Memorandum and Articles of Association;

(iv) Ordinary Shares issued or issuable upon conversion of the Preferred Shares;

(v) Ordinary Shares issued or issuable pursuant to the acquisition of another corporation by the Company by merger, purchase of substantially all of the assets, other reorganization or a joint venture agreement approved by the Board;

(vi) Ordinary Shares issued or issuable upon the Qualified IPO; and

(vii) Ordinary Shares or Preferred Shares issued or issuable in any other transaction in which an exemption from the definition of New Shares is consented to in writing by (i) holder(s) of not less than 51% of all outstanding Series A Preferred Shares; (ii) holder(s) of not less than 51% of all outstanding Series B Preferred Shares; and (iii) holder(s) of not less than 51% of all outstanding Series C Preferred Shares.

(d) The rights set forth in this Article 8 shall terminate upon the closing of the Qualified IPO.

Transfer of Shares

9. The instrument of transfer of any shares shall be in writing and shall be executed by or on behalf of the transferor and the transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register of members in respect thereof.

10. The Board of Directors shall decline to register any purported transfer of shares that is not made in accordance with the provisions of Article 11.

11. Shares may only be transferred by a Member thereof if the Member first offers the relevant shares to the Company in the following manner:

(a) Transfer Notice. If at any time a Member (the "**Selling Holder**") proposes to transfer any Shares and has received a firm offer from prospective transferee(s), the Selling Holder shall give the Company and each of the other Members ("**Entitled Holder**") written notice of the Selling Holder's intention to make the transfer (the "**Transfer Notice"**). The Transfer Notice shall include (i) a description of such shares to be transferred (the "**Offered Shares**"), (ii) the identity of the prospective transferee(s) and (iii) the consideration and the material terms and conditions upon which the proposed transfer is to be made. The Transfer Notice shall certify that the Selling Holder has received a firm offer from the prospective transferee(s) and in good faith believes a binding agreement for the transfer is obtainable on the terms set forth in the Transfer Notice. The Transfer Notice shall also include a copy of any written proposal, term sheet or letter of intent or other agreement relating to the proposed transfer.

(b) Member's Right of First Refusal.

(i) Each Entitled Holder shall have an option for a period of fourteen (14) days from receipt of the Transfer Notice to elect to purchase the Offered Shares at the same price and subject to the same material terms and conditions as described in the Transfer Notice. Each Entitled Holder may exercise such purchase option and, thereby, purchase all or any portion of the Offered Shares by notifying the Selling Holder in writing before expiration of such fourteen (14) day period as to the number of such shares that such Entitled Holder (a "**Participating Holder**") wishes to purchase. To the extent one or more Entitled Holder exercise such purchase option, the number of Offered Shares that such Entitled Holder may purchase shall be correspondingly reduced to such Entitled Holder's pro rata share of the Offered Shares. Each Entitled Holder's "**pro rata share**" of the Offered Shares shall be a fraction of the Offered Shares, of which the number of Ordinary Shares (including Ordinary Shares issuable upon conversion of Preferred Shares) owned by such Entitled Holder on the date of the Transfer Notice shall be the numerator and the total number of Ordinary Shares (including Ordinary Shares issuable upon conversion of Preferred Shares) held by all Entitled Holders on the date of the Transfer Notice shall be the denominator.

(ii) In the event any Entitled Holder elects not to purchase its pro rata share of the Offered Shares available pursuant to its rights under Article 11(b)(i) within the time period set forth therein, then the Selling Holder shall promptly give written notice to each of the Participating Holders (the "**Overallotment Notice"**), which shall set forth the number of Offered Shares not purchased by the other Entitled Holders, and shall offer the Participating Holders the right to acquire the unsubscribed shares. Each Participating Holder shall have seven (7) days after receipt of the Overallotment Notice to deliver a written notice to the Selling Holder of its election to purchase its pro rata share of the unsubscribed shares on the same terms and conditions as set forth in the Transfer Notice. For the purposes of this Article 11(b)(ii), the denominator described in sub-paragraph (i) of this Article 11(b) shall be the total number of Ordinary Shares (including Ordinary Shares issuable upon conversion of the Preferred Shares) owned by all Participating Holders on the date of the Transfer Notice.

(iii) Each Participating Holder which is an investment fund shall be entitled to apportion the shares to be purchased among its partners, members, Affiliates and related parties (including other venture capital funds affiliated with such fund), provided that such Participating Holder notifies the Selling Holder of such allocation.

(iv) The Participating Holders shall effect the purchase of the Offered Shares with payment by check or wire transfer, against delivery of the Offered Shares to be purchased, at a place agreed upon between the parties and at the time of the scheduled closing therefor, which shall be no later than forty five (45) days after receipt by the Entitled Holders of the Transfer Notice, unless the Transfer Notice contemplated a later closing with the prospective third-party transferee(s) or unless the value of the purchase price has not yet been established pursuant to Article 11(e).

(c) Additional Transfer Notice. Subject to the Entitled Holders' rights set forth in Article 11(b), if at any time a Selling Holder proposes a transfer, then, after the Entitled Holders have declined to purchase all or any portion of the Offered Shares, the Selling Holder shall give the Company an "**Additional Transfer Notice"** which shall include all of the information and certifications required in a Transfer Notice and shall additionally identify the Offered Shares which Entitled Holders have declined to purchase (the "**Remaining Shares**").

(d) Company's Rights of First Refusal.

(i) The Company shall have an option, subject to compliance of applicable law, for a period of fourteen (14) days from the Company's receipt of the Additional Transfer Notice from the Selling Holder to elect to purchase all or any portion of the Remaining Shares subject to the same material terms and conditions as described in the Additional Transfer Notice, by notifying the Selling Holder in writing, before expiration of the fourteen (14) day period as to the number of such shares which the Company wishes to purchase.

(ii) If the Company gives the Selling Holder notice that it desires to purchase such shares, then payment for the Remaining Shares shall be by check or wire transfer, against delivery of the Remaining Shares to be purchased, at a place agreed upon between the parties and at the time of the scheduled closing therefor, which shall be no later than forty five (45) days after receipt by the Company of the Additional Transfer Notice, unless the Additional Transfer Notice contemplated a later closing with the prospective third-party transferee(s) or unless the value of the purchase price has not yet been established pursuant to Article 11(e).

(e) Valuation of Property. Should the purchase price specified in the Transfer Notice or Additional Transfer Notice be payable in property other than cash or evidences of indebtedness, the Participating Holders (or the Company, as the case may be) shall have the right to pay the purchase price in the form of cash equal in amount to the value of such property. If the Selling Holder and the Participating Holders (or the Company, as the case may be) cannot agree on such cash value within ten (10) days after the Participating Holders' receipt of the Transfer Notice (or the Company's receipt of the Additional Transfer Notice), the valuation shall be made by an appraiser of recognized standing selected by the Selling Holder and the Participating Holders (or the Company, as the case may be) or, if they cannot agree on an appraiser within twenty (20) days after the Participating Holders' receipt of the Transfer Notice (or the Company's receipt of the Additional Transfer Notice), each shall select an appraiser of recognized standing and the two appraisers shall designate a third appraiser of recognized standing, whose appraisal shall be determinative of such value. The cost of such appraisal shall be shared equally by the Selling Holder and the Participating Holders (and/or the Company, as the case may be), with that portion of the cost borne by the Participating Holders (and/or the Company, as the case may be) borne pro rata by each based on the number of shares such parties were interested in purchasing pursuant to this Article 11. If the time for the closing of the Participating Holders' purchase or the Company's purchase has expired but for the determination of the value of the purchase price offered by the prospective transferee(s), then such closing shall be held on or prior to the third business day after such valuation shall have been made pursuant to this Article 11(e).

(f) Rights of Co-Sale.

(i) To the extent the Company and the Entitled Holders do not exercise their respective rights of refusal as to all of the Offered Shares pursuant to Articles 11(a) - (d), then each holder of any Preferred Shares (a "**Co-Selling Holder**" for purposes of this Article 11(f)) that notifies the Selling Holder in writing within thirty (30) days after receipt of the Transfer Notice referred to in Article 11(a), shall have the right to participate in such sale of shares to the prospective transferee identified in the Transfer Notice and on the same terms and conditions as specified in such Transfer Notice. Such Co-Selling Holder's notice to the Selling Holder shall indicate the number of shares the Co-Selling Holder wishes to sell under such Co-Selling Holder's right to participate. To the extent one or more of the holders of Preferred Shares exercise such right of participation in accordance with the terms and conditions set forth below, the number of shares that the Selling Holder may sell or transfer shall be correspondingly reduced. This right of co-sale shall not apply with respect to Offered Shares sold or to be sold to the Participating Holders and/or the Company pursuant to Articles 11(a) - (d).

(ii) Each Co-Selling Holder may sell all or any part of that number of shares equal to the product obtained by multiplying (i) the aggregate number of shares covered by the Transfer Notice and not sold pursuant to Articles 11(a) - (d) by (ii) a fraction, the numerator of which is the number of Ordinary Shares (including Ordinary Shares issuable upon conversion of the Preferred Shares) owned by the Co-Selling Holder on the date of the Transfer Notice and the denominator of which is the total number of Ordinary Shares (including Ordinary Shares issuable upon conversion of the Preferred Shares) owned by the Selling Holder and all of the Co-Selling Holders on the date of the Transfer Notice, up to a maximum number equal to the number of Offered Shares indicated in the Transfer Notice under Articles 11(a) - (d) minus the number of Offered Shares to be purchased by the Company and the other Participating Holders pursuant thereto.

(iii) Each Co-Selling Holder shall effect its participation in the sale by promptly delivering to the Selling Holder for transfer to the prospective transferee one or more share certificates (together with the duly executed instrument of transfer thereof), which represent:

(A) the type and number of shares which such Co-Selling Holder elects to sell; or

(B) that number of shares that are at such time convertible into the number of Ordinary Shares which such Co-Selling Holder elects to sell; *provided, however*, that, in the case of shares being Preferred Shares, if the prospective third-party transferee objects to the delivery of Preferred Shares in lieu of Ordinary Shares, such Co-Selling Holder shall convert such Preferred Shares into Ordinary Shares and deliver Ordinary Shares as provided in this Article 11(f)(iii)(B). The Company agrees to make any such conversion concurrent with the actual transfer of such shares to the transferee and contingent on such transfer.

(iv) The share certificate or certificates (together with the duly executed instrument of transfer thereof) that the Co-Selling Holder delivers to the Selling Holder pursuant to sub-paragraph (iii) above shall be transferred to the prospective transferee in consummation of the sale of the shares pursuant to the terms and conditions specified in the Transfer Notice, and the Selling Holder shall concurrently therewith remit to such Co-Selling Holder that portion of the sale proceeds to which such Co-Selling Holder is entitled by reason of its participation in such sale. To the extent that any prospective transferee or transferees prohibits such assignment or otherwise refuses to purchase shares or other securities from a Co-Selling Holder exercising its rights of co-sale hereunder, the Selling Holder shall not sell to such prospective transferee or transferees any shares unless and until, simultaneously with such sale, the Selling Holder shall purchase such shares or other securities from such Co-Selling Holder for the same consideration and on the same terms and conditions as the proposed transfer described in the Transfer Notice.

(g) Right as a Member. If the Company or any Participating Holder exercises its right of refusal to purchase the Offered Shares, then, upon the date that the notice of such exercise by the Company or any Participating Holder is deemed delivered to the Selling Holder, the Selling Holder will have no further rights as a holder of the Offered Shares except the right to receive payment for the Offered Shares from the Company or such Participating Holder, as the case may be, in accordance with this Article 11, and the Selling Holder will forthwith cause all certificate(s) evidencing such Offered Shares (together with the duly executed instrument of transfer thereof) to be surrendered for transfer to the Company or such Participating Holder, as the case may be.

(h) Non-Exercise of Rights. To the extent that the Company and the Entitled Holders have not exercised their rights to purchase the Offered Shares within the time periods specified in Articles 11(a) - (d) and the holder(s) of Preferred Shares have not exercised their rights to participate in the sale of the shares within the time periods specified in Article 11(f), the Selling Holder shall have a period of thirty (30) days from the expiration of such rights in which to sell the Remaining Shares upon terms and conditions (including the purchase price) no more favorable than those specified in the Transfer Notice to the third-party transferee(s) identified in the Transfer Notice. In the event the Selling Holder does not consummate the sale or disposition of the Remaining Shares within the thirty (30) day period from the expiration of these rights, the Company and the Entitled Holders' refusal rights and the co-sale rights of the holder(s) of Preferred Shares shall continue to be applicable to any subsequent disposition of the Offered Shares or the Remaining Shares by the Selling Holder until such right lapses in accordance with the terms of this Article 11. Furthermore, the exercise or non-exercise of the rights of the Company and the Entitled Holders under this Article 11 to purchase shares from the Selling Holder, or the exercise or non-exercise of the rights to participate in sales of shares by the holder(s) of Preferred Shares, shall not adversely affect their rights to make subsequent purchases from the Selling Holder of shares or subsequently participate in sales of shares by the Selling Holder.

(i) Limitations to Rights of Refusal and Co-Sale. Notwithstanding the provisions of Articles 11(a) - (h) of these Articles, shares of a shareholder may be transferred with or without consideration:

(i) by a holder of Preferred Shares that is (i) a partnership transferring to its partners or former partners in accordance with partnership interests; (ii) a corporation transferring to its wholly-owned subsidiary or its parent corporation that owns all of its share capital; (iii) a limited liability company transferring to its members or former members in accordance with their interest in it; (iv) an individual transferring to his/her family member or trust for the benefit of himself/herself; or (v) an investment fund to its Affiliates fund; provided that in each case the transferee will agree in writing to be subject to the terms of this Agreement to the same extent as if it were the original holder of such Preferred Shares; or

(ii) with the consent in writing of the Company, and the Members holding not less than 75% of the outstanding Ordinary Shares (assuming for this purpose that Preferred Shares are converted into Ordinary Shares at their applicable Conversion Price) provided, however, that such written consent must include the consent of (i) holder(s) of not less than 51% of all outstanding Series A Preferred Shares; (ii) holder(s) of not less than 51% of all outstanding Series B Preferred Shares; and (iii) holder(s) of not less than 51% of all outstanding Series C Preferred Shares.

(i) Prohibited Transfers.

(i) In the event a Member should sell any share in contravention of the co-sale rights of the Co-Selling Holders under Article 11(f) (a "**Prohibited Transfer"**), the Co-Selling Holders, in addition to such other remedies as may be available at law, in equity or hereunder, shall have the put option provided below, and the Selling Holder shall be bound by the applicable provisions of such option.

(ii) In the event of a Prohibited Transfer, a Co-Selling Holder shall have the right to sell to the Selling Holder the type and number of shares equal to the number of shares such Co-Selling Holder would have been entitled to transfer to the third-party transferee(s) under Article 11(f) hereof had the Prohibited Transfer been effected pursuant to and in compliance with the terms hereof. Such sale shall be made on the following terms and conditions:

(A) The price per share at which the shares are to be sold to the Selling Holder shall be equal to the price per share paid by the third-party transferee(s) to the Selling Holder in the Prohibited Transfer. The Selling Holder shall also reimburse each Co-Selling Holder for any and all fees and expense, including legal fees and expenses, incurred pursuant to the exercise or the attempted exercise of such Co-Selling Holder's rights under Article 11(f).

(B) Within ninety (90) days after the later of the dates on which such Member (i) received notice of the Prohibited Transfer or (ii) otherwise became aware of the Prohibited Transfer, such Co-Selling Holder shall, if exercising the option created hereby, deliver to the Selling Holder the certificate or certificates representing shares to be sold together with the duly executed instrument of transfer thereof.

(C) The Selling Holder shall, upon receipt of the certificate or certificates for the shares to be sold by such Co-Selling Holder together with the duly executed instrument of transfer thereof, pursuant to this Article 11(j), pay the aggregate purchase price therefor and the amount of reimbursable fees and expenses, as specified in sub-paragraph (ii)(A), in cash or by other means acceptable to such Co-Selling Holder.

(D) Notwithstanding the foregoing, any attempt by a Member to transfer shares in violation of Article 11(f) shall be void and the Company agrees it will not effect such a transfer nor will it treat any alleged transferee(s) as the holder of such shares without the written consent of (i) holder(s) of not less than 51% of all outstanding Series A Preferred Shares; (ii) holder(s) of not less than 51% of all outstanding Series B Preferred Shares; and (iii) holder(s) of not less than 51% of all outstanding Series C Preferred Shares.

(j) Drag-Along Rights.

(i) Subject to the written approval from (i) holder(s) of 51% of all outstanding Series A Preferred Shares, 51% of all outstanding Series B Preferred Shares and 51% of all outstanding Series C Preferred Shares, each voting as a separate class;, in the event of the Company receiving a bona fide offer to purchase all or substantially all of the assets of the Company Group or all or substantially all of the outstanding shares of the Company (a "**Drag Along Transaction**"), each Member shall (i) execute all necessary agreements and take all reasonable actions as may be reasonably required in connection with the Drag Along Transaction or the consummation thereof, (ii) sell any shares held by such Member in the Company in the Drag Along Transaction, and (iii) not exercise any dissenter's rights of appraisal that such Member may otherwise be entitled to with respect to such Drag Along Transaction.

(ii) Notwithstanding Article 11(a), a Preferred Shareholder shall not be required to comply with Section 11(a) above in connection with any proposed Drag Along Transaction unless:

(A) such net proceeds or consideration are to be distributed or paid to the Holders in accordance with the liquidation preference provisions of the Articles;

(B) the Preferred Shareholder shall receive the same consideration as all other Holders;

(C) the consideration for the Drag Along Transaction must be all cash or freely-tradable equity securities;

(D) the only representations, warranties or covenants that a Preferred Shareholder would be required to make are with respect to its ownership of the Company's securities to be sold by it (including its ability to convey title free and clear of liens, encumbrances or adverse claims and reasonable covenants regarding confidentiality, publicity and similar matters);

(E) the liability of the Preferred Shareholder would be several and not joint with respect to any representation and warranty or covenant made by the Company, and such liability would be limited to the Preferred Shareholder's pro rata share of an escrow or other holdback of no more than 10% of the consideration payable to all Holders for a period not to exceed twelve (12) months; provided, however, that the foregoing liability limitation need not apply to such Preferred Shareholder's liability for its own fraud or willful misrepresentation;

(F) the Preferred Shareholder shall not be required to amend, extend, enter into or terminate any contractual relationship with the Company, the acquirer or their respective affiliates, except for any contract or arrangement which by its own terms provides for an extension, modification or termination upon the consummation of a Drag Along Transaction;

(G) the Preferred Shareholder shall not be required to agree to any covenant not to compete or covenant not to solicit customers, employees or suppliers of any party to the Drag Along Transaction or other covenant;

(H) the Preferred Shareholder shall not be obligated to make any out of pocket expenditure prior to the consummation of the Drag Along Transaction (excluding modest expenditures for postage, copies, etc.), and shall not be obligated to pay any expenses incurred in connection with a consummated Drag Along Transaction, except indirectly to the extent such costs are incurred for the benefit of all of the Company's shareholders and are paid by the Company or the party to such Drag Along Transaction. Costs incurred by or on behalf of such Preferred Shareholder for its sole benefit will not be considered costs of the transaction hereunder;

In addition, in no event will a Preferred Shareholder be required to execute any joinder agreement or similar agreement whereby the Preferred Shareholder agrees to become a party to the definitive agreement(s) (or sections thereof) of the Company relating to a Drag Along Transaction. Also, any amendments to or waivers of the drag-along provisions must require each Preferred Shareholder's consent.

(k) Termination. The rights set forth in this Article 11 shall terminate upon the earlier of (i) the closing of the Qualified IPO, or (ii) the closing of Trade Sale.

Variation of Rights of Shares

12. If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up, be varied with the consent in writing of, or with the sanction of a resolution passed at a general meeting by, the holders of not less than 51% of the outstanding shares of that class.

The provisions of these Articles relating to general meetings shall apply to every such general meeting of the holders of one class of shares except that the necessary quorum shall be one person holding or representing by proxy at least a majority of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll.

For purposes of this Article 12, Series A1 Preferred Shares, Series A2 Preferred Shares and Series A3 Preferred Share shall together be deemed to be one single class of shares; Series B1 Preferred Shares and Series B2 Preferred Shares shall together be deemed to be one single class of shares; and Series C1 Preferred Shares shall be deemed to be one single class of shares.

13. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall be deemed to be varied by the creation or issue of further shares ranking in priority to or pari passu therewith.

14. Notwithstanding anything to the contrary herein contained, except with the prior written consent of (i) holder(s) of not less than 51% of all outstanding Series A Preferred Shares; (ii) holder(s) of not less than 51% of all outstanding Series B Preferred Shares; (iii) holder(s) of not less than 51% of all outstanding Series C Preferred Shares; and (iv) a majority of the outstanding Preferred Shares (voting as a single class on an as converted basis), the rights of the holders of Preferred Shares will not be subordinated and will at all times be at least equal to the rights granted to all other holders of Ordinary Shares, or other shares or securities convertible or exchangeable into shares of the Company in existence or to be issued in future.

Conversion of Preferred Shares

15. Each holder of Preferred Shares shall be entitled to convert any or all of its Preferred Shares at any time, without the payment of any additional consideration, into such number of fully paid Ordinary Shares per Preferred Share as is determined by dividing the Deemed Original Purchase Price applicable to such Preferred Shares by the Conversion Price (as defined below) applicable to such Preferred Shares determined in each case as hereinafter provided, in effect at the time of conversion. Any conversion of Preferred Shares made pursuant to these Articles shall be effected by the redemption of the relevant number of Preferred Shares and the issuance of an appropriate number of Ordinary Shares.

16. The ***"Conversion Price"*** of a Preferred Share shall initially be its Deemed Original Purchase Price. The Conversion Price of a Preferred Share shall be subject to adjustment, as hereinafter provided.

17. Each Preferred Share shall automatically be converted into Ordinary Shares at the then-effective Conversion Price applicable to such Preferred Share (A) immediately prior to the completion of a Qualified IPO, or (B) with the vote of the holder(s) of not less than 51% of all the outstanding Preferred Shares of the same class. For the purpose of this Article 17, Series A1 Preferred Shares, Series A2 Preferred Shares and Series A3 Preferred Shares shall together be deemed to be one single class of shares; Series B1 Preferred Shares and Series B2 Preferred Shares shall together be deemed one single class of shares; and Series C1 Preferred Shares shall be deemed one single class of shares. Any conversion of Preferred Shares made pursuant to this Article 17 shall be effected by the redemption of the relevant number of Preferred Shares and the issuance of an appropriate number of Ordinary Shares.

18. No fractional Ordinary Shares shall be issued upon conversion of any Preferred Share. In lieu of any fractional share to which the holder would otherwise be entitled, the Company shall pay cash equal to such fraction multiplied by the then-effective Conversion Price for the Preferred Shares, for each fractional share to which the holder would otherwise be entitled.

19. The right to convert shall be exercisable by the holder of Preferred Shares surrendering the certificate or certificates therefor at the registered office or principal place of business of the Company or the office of any transfer agent for the Preferred Shares, together with a written notice that such holder elects to convert a specified number of Preferred Shares of a specified class or classes on a specified date. In the event of an automatic conversion pursuant to Article 17, all outstanding Preferred Shares shall be converted automatically without any further action by the holders thereof and whether or not the certificates representing such shares are surrendered to the Company or its transfer agent in respect of such Preferred Shares. The Company will not issue certificates in respect of any Ordinary Shares into which Preferred Shares have been converted upon automatic conversion unless the certificates in respect of the Preferred Shares so converted are either delivered to the registered office or principal place of business of the Company or to the office of its transfer agent in respect of such Preferred Shares or the holder notifies the Company or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such certificates. The Company shall, as soon as practicable following delivery of the certificates representing Preferred Shares or an indemnity as aforesaid, in the case of an automatic conversion, or as soon as practicable following the Conversion Date in respect of any conversion at the option of the holders, issue and deliver to such holder, a certificate or certificates for the number of Ordinary Shares to which such holder shall be entitled as aforesaid, together with a check, if applicable, payable to the holder in the amount of any cash amount payable as the result of any fractional share resulting from the conversion of Preferred Shares into Ordinary Shares.

20. If at any time the number of authorized but unissued Ordinary Shares shall not be sufficient to effect the conversion of all the outstanding Preferred Shares, in addition to such other remedies as shall be available to the holder of such Preferred Shares, the Company will take such corporate action as may be necessary to increase the number of its authorized but unissued Ordinary Shares to at least such number of shares as shall be sufficient for such purposes, including the solicitation of shareholder approval of such increase.

Adjustments to Conversion Prices

21. The Conversion Price in effect from time to time with respect to a Preferred Share shall be subject to adjustment in certain cases as follows:

(a) In the event the outstanding Ordinary Shares shall be subdivided by share split, share dividend or otherwise, into a greater number of Ordinary Shares, the Conversion Price of each Preferred Share then in effect shall, concurrently with the effectiveness of such subdivision, be proportionately decreased. In the event the outstanding Ordinary Shares shall be combined or consolidated into a lesser number of Ordinary Shares, the Conversion Price of each Preferred Share then in effect shall, concurrently with the effectiveness of such combination or consolidation, be proportionately increased.

(b) In the event the Company makes, or fixes a record date for the determination of holders of Ordinary Shares entitled to receive, any distribution (excluding repurchases of securities by the Company not made on a pro rata basis) payable in property or in securities of the Company other than Ordinary Shares, and other than as otherwise adjusted for in this Article 21 or as provided for in Article 113 in connection with a dividend, then and in each such event the holders of Preferred Shares shall receive, at the time of such distribution, the amount of property or the number of securities of the Company that they would have received had their Preferred Shares been converted into Ordinary Shares on the date of such event.

(c) If the Ordinary Shares shall be changed into the same or a different number of shares of any other class or classes of shares or other securities or property, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for above), then in each such event the holder of each Preferred Share shall have the right thereafter to convert such Preferred Share into the kind and amount of shares and other securities and property receivable upon such reorganization or reclassification or other change by holders of the number of Ordinary Shares that would have been subject to receipt by such holders upon conversion of such Preferred Share immediately before that change, all subject to further adjustment as provided under this Article 21.

(d) In the event of the Company issuing or selling Equity Securities in connection with any equity financing of the Company at any time and the consideration actually received per share for such Equity Securities is less then the Conversion Price of a given series of Preferred Shares (the "**Affected Series**") in effect immediately prior to the time of such issue or sale, then forthwith upon such issue or sale, the Conversion Price of each Preferred Share of the Affected Series shall be adjusted to a price equal to the weighted average of (A) the Conversion Price of a Preferred Share of the Affected Series in effect immediately prior to the time of such issue or sale; and (B) the consideration actually received per share for which such Equity Securities were issued and shall be calculated as follows:

$$PN = \frac{A \times PA + B \times PB}{A+B}$$ whereby

PN = the Conversion Price of a Preferred Share of the Affected Series after being adjusted in accordance with this Article 21(d)

A = the number of Ordinary Shares issuable upon conversion of all the Preferred Shares of the Affected Series in issue pursuant to Article 15 or 17

B = the number of such Equity Securities issued (in the case that Ordinary Shares were issued) or the number of Ordinary Share issuable upon conversion of such Equity Securities issued

PA = the Conversion Price of the Affected Series in effect immediately prior to the time of the issue of Equity Securities

PB = the consideration actually received per share for which such Equity Securities were issued

(e) For purposes of this Article 21:

(i) The term ***"Equity Securities"*** shall mean any Ordinary Share or other security of the Company convertible into or exchangeable for Ordinary Shares or any other security convertible into or exchangeable for any security convertible into or exchangeable for Ordinary Shares except for:

(a) Ordinary Shares issued or issuable to officers, directors and employees of, or consultants to, the Company pursuant to share grants, option plans, purchase plans or other employee share incentive programs or arrangements approved by the Board;

(b) Ordinary Shares issued upon the exercise or conversion of options or convertible securities of the Company outstanding as of the date of adoption of these Articles;

(c) Ordinary Shares or Preferred Shares issued or issuable as a dividend or distribution on the shares or pursuant to any event for which adjustment is made pursuant to the Company's Memorandum and Articles of Association;

(d) Ordinary Shares issued or issuable upon conversion of the Preferred Shares;

(e) Ordinary Shares or Preferred Shares issued or issuable pursuant to the acquisition of another corporation by the Company by merger, purchase of substantially all of the assets, other reorganization or a joint venture agreement approved by the Board;

(f) Ordinary Shares issued or issuable upon the Qualified IPO; and

(g) Ordinary Shares issued or issuable in any other transaction in which exemption from the definition of Equity Securities is approved by the affirmative vote of (i) holder(s) of not less than 51% of all outstanding Series A Preferred Shares; (ii) holder(s) of not less than 51% of all outstanding Series B Preferred Shares; and (iii) holder(s) of not less than 51% of all outstanding Series C Preferred Shares.

(ii) For purpose of this Article 21 and in the case of an issuance or sale for cash of Equity Securities, the "consideration actually received" by the Company therefor shall be deemed to be the amount of cash received, before deducting therefrom any commissions or expenses paid by the Company.

(iii) In case of the issuance of Equity Securities for a consideration other than cash or a consideration partly other than cash, the amount of the consideration other than cash received by the Company for such shares shall be deemed to be the fair value of such consideration as determined in good faith by the Board of Directors.

(iv) In case of the issuance by the Company in any manner of any rights to subscribe for or to purchase Equity Securities, or any options for the purchase of Equity Securities or shares convertible into Equity Securities, all Equity Securities or shares convertible into Equity Securities to which the holders of such rights or options shall be entitled to subscribe for or purchase pursuant to such rights or options shall be deemed issued as of the date of the offering of such rights or the granting of such options, as the case may be, and the minimum aggregate consideration named in such rights or options for the Equity Securities or shares convertible into Equity Securities covered thereby, plus the consideration, if any, received by the Company for such rights or options, shall be deemed to be the "consideration actually received" by the Company (as of the date of the offering of such rights or the granting of such options, as the case may be) for the issuance of such rights or the granting of such options.

(v) In case of the issuance or issuances by the Company in any manner of any Equity Securities of the Company that shall be convertible into or exchangeable for Ordinary Shares, all Ordinary Shares issuable upon the conversion or exchange of such securities shall be deemed issued as of the date such securities are issued, and the amount of the "consideration actually received" by the Company for such Equity Securities shall be deemed to be the total of (1) the amount of consideration received by the Company upon the issuance of such securities, as the case may be, plus (2) the minimum aggregate consideration, if any, other than such securities, receivable by the Company upon such conversion or exchange, except in adjustment of dividends.

(vi) No adjustment pursuant to Article 21(d) should increase the Conversion Price.

(f) The Company will not, by amendment of these Articles or its Memorandum of Association or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company but will at all times in good faith assist in the carrying out of all the provisions of Article 21 and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of Preferred Shares against impairment.

22. Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to Article 21 the Company at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Preferred Shares to which such adjustment pertains a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any holder of Preferred Shares, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price at the time in effect, and (iii) the number of Ordinary Shares and the amount, if any, of other property which at the time would be received upon the conversion of such holder's Preferred Shares.

Non-recognition of Trusts

23. No person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognize (even when having notice thereof), any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share or (except only as is otherwise provided by these Articles or the Law) any other rights in respect of any share, except an absolute right to the entirety thereof in the registered holder.

Lien

24. The Company shall have a first and paramount lien on every share issued for a promissory note or for any other binding obligation to contribute money or property or any combination thereof to the Company, and the Company shall also have a first and paramount lien on every share standing registered in the name of a Member, whether singly or jointly with any other person or persons, for all the debts and liabilities of such Member or his estate to the Company, whether the same shall have been incurred before or after notice to the Company of any interest of any person other than such Member, and whether the time for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Member of his estate and any other person, whether a Member of the Company or not. The Company's lien on a share shall extend to all dividends payable thereon. The Directors may at any time either generally, or in any particular case, waive any lien that has arisen or declare any share to be wholly or in part exempt from the provisions of this Regulation.

25. In the absence of express provisions regarding sale in the promissory note or other binding obligation to contribute money or property, the Company may sell, in such manner as the Directors may by resolution determine, any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of twenty one days after a notice in writing, stating and demanding payment of the sum presently payable and giving notice of the intention to sell in default of such payment, has been served on the holder for the time being of the share.

26. The net proceeds of the sale by the Company of any shares on which it has a lien shall be applied in or towards payment or discharge of the promissory note or other binding obligation to contribute money or property or any combination thereof in respect of which the lien exists so far as the same is presently payable and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the holder of the share immediately before such sale. For giving effect to any such sale the Directors may authorize some persons to transfer the share sold to the purchaser thereof. The purchaser shall be registered as the holder of the share and he shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Forfeiture of Shares

27. If a Member fails to pay for any share or shares issued for a promissory note or other written binding obligation for payment of a debt on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the payment remains unpaid, serve a notice on him requiring payment of so much of the payment as is unpaid, together with any interest which may have accrued.

28. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which payment is not made will be liable to be forfeited.

29. If the requirements of any such notice as aforesaid are not complied with any share in respect of which the notice has been given may at any time thereafter before the payment required by the notice has been made, be forfeited and canceled by a resolution of the Directors to that effect.

30. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares. The Company is under no obligation to refund any moneys to such person in respect of the forfeited shares and that person shall be discharged from any further obligations to the Company with respect to the forfeited shares.

Mortgages and Charges of Shares

31. Any Member who mortgages or charges one or more shares of the Company shall immediately notify the registered office in writing as to which shares have been mortgaged or charged and the name and address of the mortgagee or chargee. Upon receipt of such notification, the Directors shall immediately enter in the share register:

(a) a statement that the shares are mortgaged or charged;

(b) the name of the mortgagee or chargee; and

(c) the date on which the statement and name are entered in the share register.

Registration of Empowering Instruments

32. The Company shall be entitled to charge a fee not exceeding one dollar (US $1.00) on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney or other instrument.

Transmission of Shares

33. In case of the death of a Member, the survivor or survivors where the deceased was a joint holder, and legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares, but nothing herein contained shall release the estate of any such deceased holder from any liability in respect of any shares which had been held by him solely or jointly with other persons.

34. Any person becoming entitled to a share in consequence of the death or bankruptcy or liquidation or dissolution of a Member (or in any other way than by transfer) may, upon such evidence being produced as may from time to time be required by the Board of Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to make such transfer of the share to such other person nominated by him as the deceased or bankrupt person could have made and to have such person registered as the transferee thereof, but the Board of Directors shall, in either case, have the same right to decline or suspend registration as the Board of Directors would have had in the case of a transfer of the share by that Member before his death or bankruptcy as the case may be. If the person so becoming entitled shall elect to be registered himself as holder, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

35. A person becoming entitled to a share by reason of the death or bankruptcy or liquidation or dissolution of the holder (or in any other case than by transfer) shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company; *provided*, *however*, that the Board of Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and, if the notice is not complied with within ninety (90) days, the Board of Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with.

Amendment of Memorandum of Association,
Change of Location of Registered Office

36. (a) Subject to the provisions of the Law and these Articles, the Company may from time to time by Special Resolution of Members alter or amend its Memorandum of Association;

(b) Except as provided in these Articles, all new shares created hereunder shall be subject to the same provisions with reference to the payment of calls, liens, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.

(c) Subject to the provisions of the Law, the Company may by resolution of the Board of Directors change the location of its registered office.

General Meeting

37. The Company shall within one (1) year of its incorporation and in each year of its existence thereafter hold a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such time and place as the Board of Directors shall appoint. At these meetings, the report of the Board of Directors, if any, shall be presented.

38. The Board of Directors may, whenever it thinks fit, convene a general meeting of the Company for any purpose or purposes.

Notice of General Meetings

39. Notice shall be given of an annual general meeting or any other general meeting not less than ten (10) nor more than sixty (60) days before the date of the meeting to each Member entitled to vote at such meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given, and of the day for which it is given, and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in manner hereinafter mentioned, or in such other manner, if any, as may be prescribed by the Company; *provided*, *however*, a general meeting of the Company shall, whether or not the notice specified in this Article has been given and whether or not the provisions of this Article have been complied with, be deemed to have been duly convened if it is so agreed either before or after the meeting by each person entitled to vote thereat who was not present in person or by proxy by such person signing a written waiver of notice or a consent to the holding of the meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records of the Company or referred to in the minutes of the meeting. Attendance by a Member at a meeting shall also constitute a waiver of notice, except when that person objects at the beginning of the meeting to the transaction of any business on the basis that the meeting is not lawfully called or convened.

Proceedings at General Meetings

40. No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business; the quorum shall be Members present in person or by proxy holding a majority of shares carrying the right to vote provided that such majority shall always include (i) holder(s) of not less than 51% of all outstanding Series A Preferred Shares; (ii) holder(s) of not less than 51% of all outstanding Series B Preferred Shares; and (iii) holder(s) of not less than 51% of all outstanding Series C Preferred Shares. The Members may participate in any general meeting by means of conference telephone or similar communications by means of which all persons participating in the meeting can hear each other and participation in the meeting pursuant to this provision shall constitute presence in person at such meeting.

41. A resolution in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorized representatives) shall be as valid as if the same had been passed at a general meeting of the Company duly convened and held.

42. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other time or such other place as the Board of Directors may determine. If a quorum is not present at such adjourned meeting, the meeting shall be further adjourned until the same time and place in seven (7) days' time. If a quorum is still not present, the Members for the time being present shall constitute a quorum.

43. The Chairman, if any, of the Board of Directors shall preside as chairman at every general meeting of the Company, or if there is no such Chairman, or if he shall not be present within fifteen (15) minutes after the time appointed for the holding of the meeting, or is unwilling to act the Board of Directors present shall elect one of their number to be chairman of the meeting.

44. If at any general meeting no Director is willing to act as chairman of the meeting or if no Director is present within fifteen (15) minutes after the time appointed for holding the meeting, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other time or such other places, as the Board of Directors may determine.

45. The chairman may, with the consent of any general meeting duly constituted hereunder, and shall if so directed by the holders, present in person or by proxy, of a majority of the shares held by Members present at that meeting in person or by proxy, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

46. When a general meeting is adjourned for more than forty-five (45) days or a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given as in the case of an original meeting; save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned general meeting.

47. At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is, before or on the declaration of the result of the show of hands, demanded by the chairman or any other Member present in person or by proxy.

48. Unless a poll be so demanded a declaration by the chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company's Minute Book containing the minutes of the proceedings of the meeting shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favor of or against such resolution.

49. The demand for a poll may be withdrawn.

50. Except as provided in Article 48, if a poll is duly demanded, it shall be taken in such manner as the chairman directs and the result of the poll shall be deemed to be the resolution of the general meeting at which the poll was demanded.

51. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the general meeting directs and any business other than that upon which a poll has been demanded or is contingent thereon may be proceeded with pending the taking of the poll.

Votes of Members

52. Subject to any rights or restrictions for the time being attached to any class or classes of shares:

(a) on a show of hands, every Member who is present in person or by proxy shall have one vote; and

(b) on a poll, every Member present in person or by proxy shall be entitled to one vote in respect of each Ordinary Share held by him, and, in the case of each Preferred Share held by him, to that many votes to which he would be entitled, if he converted such Preferred Shares on the record date in respect of the meeting at which the poll is taken, or, if no record date is established, the date the poll was taken.

53. In the case of joint holders of record, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of Members.

54. A Member of unsound mind, or in respect of whom an order has been made by any court, having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other person in the nature of a committee, receiver or curator bonis appointed by that court, and any such committee, receiver, curator bonis or other persons may vote by proxy.

55. No Member shall be entitled to vote at any general meeting unless he is registered as a shareholder of the Company on the record date for such meeting, nor unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

56. No objection shall be raised to the qualification of any voter, except at the general meeting or adjourned general meeting at which the vote objected to is given or tendered and every vote not disallowed at such general meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the general meeting whose decision shall be final and conclusive.

57. On a poll or on a show of hands, votes may be given either personally or by proxy.

58. The provisions of these Articles relating to general meetings shall apply, mutatis mutandis, to every general meeting of the holders of one class of shares.

Record Dates

59. For purposes of determining the Members entitled to notice of any meeting or to vote thereat or entitled to give written consent without a meeting, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty (60) days nor less than ten (10) days before the date of any such meeting, nor more than sixty (60) days before any such action without a meeting, and in such event only Members of record on the date so fixed are entitled to notice and to vote or to give consents, as the case may be, notwithstanding the registration of any transfer of any shares.

60. If the Board of Directors does not so fix a record date:

(a) the record date for determining Members entitled to notice of or to vote at any general meeting shall be at the close of business on the Business Day next preceding the day on which notice is given or, if notice is waived, at the close of business on the Business Day next preceding the day on which the meeting is held; and

(b) the record date for determining Members entitled to give written consent without a meeting, (i) when no prior action by the Board of Directors has been taken, shall be the day on which the first written consent is given, or (ii) when prior action by the Board of Directors has been taken, shall be at the close of business on the day on which the Board of Directors adopts the resolution relating to that action, or the sixtieth (60th) day before the date of such other action, whichever is later.

61. For the purposes of determining the Members entitled to receive payment of any dividend or other distribution or allotment of any rights or the Members entitled to exercise any rights in respect of any other lawful action (other than as provided above), the Board of Directors may fix, in advance, a record date, which shall not be more than sixty (60) days before any such action. In that case, only Members of record at the close of business on the date so fixed are entitled to receive the dividend, distribution or allotment of rights, or to exercise such rights, as the case may be, notwithstanding any transfer of any shares on the books of the Company after the record date so fixed. If the Board of Directors does not so fix a record date, then the record date for determining Members for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the applicable resolution or the sixtieth (60th) day before the date of that action, whichever is later.

Proxies

62. The instrument appointing a proxy shall be in writing and shall be executed under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, partnership or limited liability company, under the hand of an officer or attorney duly authorised in that behalf. A proxy need not be a Member of the Company.

63. The instrument appointing a proxy shall be deposited at the registered office of the Company or at such other place as is specified for that purpose in the notice convening the meeting no later than the time for holding the meeting, or adjourned meeting; *provided*, *however,* the Chairman of the Meeting may at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited upon receipt of telex, cable or telecopy confirmation from the appointor that the instrument of proxy duly signed is in the course of transmission to the Company.

64. The instrument appointing a proxy may be in any usual or common form and may be expressed to be for a particular meeting or any adjournment thereof or generally until revoked. An instrument appointing a proxy shall be deemed to include the power to demand or join or concur in demanding a poll. A validly executed proxy which does not state that it is irrevocable shall continue in full force and effect unless (i) the person who executed the proxy revokes it prior to the time of voting by delivering a notice in writing to the Company stating that the proxy is revoked or by executing a subsequent proxy and presenting it to the meeting or by voting in person at the meeting, or (ii) written notice of the death or incapacity of the maker of that proxy is received by the Company before the vote pursuant to which that proxy is counted; *provided*, *however*, that no proxy shall be valid after the expiration of three (3) years from the date of the proxy, unless otherwise provided in the proxy.

65. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy is executed, or the transfer of the share in respect of which the proxy is given; *provided*, *however*, no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the registered office before the commencement of the general meeting, or adjourned meeting at which it is sought to use the proxy.

66. Any corporation, partnership or limited liability company which is a Member of record of the Company may in accordance with its Articles or in the absence of such provision by resolution of its directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company, and the persons so authorized shall be entitled to exercise the same powers on behalf of the corporation, partnership or limited liability company which he represents as the corporation, partnership or limited liability company could exercise if it were an individual Member of record of the Company.

67. Shares in the Company which are beneficially owned by the Company shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of outstanding shares at any given time.

Inspectors of Election

68. Before any meeting of the Members, the Board of Directors may appoint an inspector or inspectors of election to act at the meeting or its adjournment. If no inspector of election is so appointed, then the chairman of the meeting may, and on the request of any Member or a Member's proxy, shall appoint an inspector or inspectors of election to act at the meeting. The number of inspectors shall be either one or three. If inspectors are appointed at a meeting pursuant to the request of one or more Members or proxies, then the holders of a majority of shares or their proxies present at the meeting shall determine whether one or three inspectors are to be appointed. If any person appointed as inspector fails to appear or fails or refuses to act, then the chairman of the meeting may, and upon the request of any Member or a Member proxy, shall, appoint a person to fill that vacancy.

Such inspectors shall:

(a) determine the number of shares outstanding and the voting power of each, the number of shares represented at the meeting, the existence of a quorum, and the authenticity, validity and effect of proxies;

(b) receive votes, ballot or consents;

(c) hear and determine all challenges and questions in any way arising in connection with the right to vote;

(d) count and tabulate all votes or consents;

(e) determine when the polls shall close;

(f) determine the result; and

(g) do any other acts that may be proper to conduct the election or vote with fairness to all Members.

Directors

69. (a) The Company shall have a Board of Directors consisting of not more than seven Directors, as set forth in this Article 69.

(b) One of the seven Director positions shall be Sheng Chen (until such time as Sheng Chen retires, resigns, is removed or otherwise ceases to act in accordance with these Articles).

(c) Three of the seven Director positions (the **"Preferred Directors"**) shall be appointed by the holder(s) of the Preferred Shares as follows:

(i) SMC Synapse Partners Limited and its affiliates shall have the rights to appoint one director, who shall initially be Yoshihisa Ueno, so long as SMC Synapse Partners Limited and its affiliates together hold more than 3% of total issued and outstanding shares in the Company;

(ii) Matrix Partners China I, L.P. and its affiliates shall have the rights to appoint one director, who shall initially be David Ying Zhang, so long as Matrix Partners China I, L.P. and its affiliates together hold more than 3% of total issued and outstanding shares in the Company;

(iii) Granite Global Ventures III LP and its affiliates shall have the rights to appoint one director, who shall initially be Jenny Lee, so long as Granite Global Ventures III LP and its affiliates together hold more than 3% of total issued and outstanding shares in the Company;

The entity that has the right to appoint directors pursuant to subsections (i), (ii) or (iii) above shall have the right to remove and replace the Directors they appointed who have been removed or have resigned from time to time.

(d) The Founders, shall, collectively, have the right to recommend three independent Directors to the Board. Each person recommended by the Founders to be an independent Director must be approved by the Board before such person becomes a Director of the Company.

(e) Subject to the approval by (i) the Company; (ii) holder(s) of not less than 51% of all outstanding Series A Preferred Shares; (iii) holder(s) of not less than 51% of all outstanding Series B Preferred Shares; and (iv) holder(s) of not less than 51% of all outstanding Series C Preferred Shares, the maximum number of Directors may be increased and such existing or future holder(s) of Ordinary Shares or Preferred Shares may be entitled to nominate such additional Directors and to remove or replace the Directors they so nominate from time to time.

(f) A representative of Sheng Chen, one of the Founders, a representative of Asuka DBJ Partners Co., Ltd. and So-net Entertainment Corporation, a representative of IP Cathay One, L.P., a representative of Trinity Ventures IX, L.P., Trinity IX Side-By-Side Fund, L.P. and Trinity IX Entrepreneurs' Fund, L.P. and a representative of Meritech Capital Partners III L.P. and Meritech Capital Affiliates III L.P. shall be entitled to attend as an observer with no voting rights all Board of Directors meetings of the Company (each an "**Observer**"), for so long as the abovementioned individual or entities hold, directly or indirectly, any Shares. Any additional Observer shall be subject to approval by the Chairman of the Board of Directors. The Company shall provide to each Observer (and shall cause each other Group Company to provide to each Observer), concurrently with the members of the Board, notice of each meeting thereof or of any committee thereof, and a copy of all materials provided to such members. All Observers shall be retired on or prior to the consummation of a Qualified IPO or an initial public offering of the Ordinary Shares other than a Qualified IPO approved by the Board, which approval must include approval of a majority of the Preferred Directors (an "**IPO**").

(g) The Board of Directors shall from time to time appoint a Director to act as the Chairman of the Board of Directors. For so long as the Board of Directors includes Sheng Chen, Sheng Chen shall be appointed as Chairman of the Board of Directors.

70. The remuneration to be paid to the Directors shall be such remuneration as the Board of Directors shall determine. Such remuneration shall be deemed to accrue from day to day. Subject to approval by the Board of Directors, the Directors shall also be entitled to be paid their travelling, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of the Board of Directors, or any committee of the Board of Directors, or general meetings of the Company, or in respect thereof as may be determined by the Board of Directors from time to time, or a combination partly of one such method and partly the other.

71. The Board of Directors may award special remuneration to any Director of the Company undertaking any special work or services for, or undertaking any special mission on behalf of, the Company other than his ordinary routine work as a Director. Any fees paid to a Director who is also counsel or solicitor to the Company, or otherwise serves it in a professional capacity, shall be in addition to his remuneration as a Director.

72. A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Board of Directors may determine.

73. A Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

74. A shareholding qualification for Board of Directors shall not be required.

75. A Director of the Company may be or become a director or other officer of or otherwise interested in any company promoted by the Company, or in which the Company may be interested as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company.

76. No person shall be disqualified from the office of Director or prevented by such office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Company in which any Director shall be in any way interested be or be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or transaction by reason of such Director holding office or of the fiduciary relation thereby established. A Director shall be at liberty to vote in respect of any contract or transaction in which he is so interested as aforesaid; *provided*, *however*, that the nature of the interest of any Director in any such contract or transaction shall be disclosed by him at or prior to its consideration and any vote thereon.

77. A general notice that a Director is a shareholder of any specified firm or company and is to be regarded as interested in any transaction with such firm or company shall be sufficient disclosure under Article 76 and, after such general notice, it shall not be necessary to give special notice relating to any particular transaction.

Alternate Directors

78. A Director who expects to be unable to attend Board of Directors' meetings because of absence, illness or otherwise may appoint any person to be an alternate Director to act in his stead and such appointee while he holds office as an alternate Director shall, in the event of absence therefrom of his appointor, be entitled to attend meetings of the Board of Directors and to vote thereat and to do, in the place and stead of his appointor, any other act or thing which his appointor is permitted or required to do by virtue of his being a Director as if the alternate Director were the appointor, other than appointment of an alternate to himself, and he shall ipso facto vacate office if and when his appointor ceases to be a Director or removes the appointee from office. Any appointment or removal under this Article shall be effected by notice in writing under the hand of the Director making the same.

Powers and Duties of Directors

79. The business of the Company shall be managed by the Board of Directors who may pay all expenses incurred in promoting, registering and setting up the Company, and may exercise all such powers of the Company as are not, from time to time by the Law, or by these Articles, or such regulations, being not inconsistent with the aforesaid, as may be prescribed by the Company in general meeting required to be exercised by the Company in general meeting; *provided, however,* that no regulations made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

80. The Board of Directors may from time to time and at any time by powers of attorney appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board of Directors, to be the attorney or attorneys of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board of Directors under these Articles) and for such period and subject to such conditions as the Board of Directors may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorneys as the Board of Directors may think fit and may also authorize any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

81. All checks, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Board of Directors shall from time to time by resolution determine.

82. The Board of Directors shall cause minutes to be made in books provided for the purpose:

(a) of all appointments of officers made by the Board of Directors;

(b) of the names of the Directors (including those represented thereat by proxy) present at each meeting of the Board of Directors and of any committee of the Board of Directors; or

(c) of all resolutions and proceedings at all meetings of the Company and of the Board of Directors and of committees of the Board of Directors.

83. The Board of Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependents and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

84. Subject to the provisions of Article 79, the Board of Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party.

Management

85. The Board of Directors may from time to time provide for the management of the affairs of the Company in such manner as it shall think fit and the provisions contained in the three (3) next following paragraphs shall be without prejudice to the general powers conferred by this paragraph.

(a) The Board of Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any persons to be members of such committees or local boards or any managers or agents and may fix their remuneration.

(b) The Board of Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Board of Directors and may authorize the members for the time being of any such local board, or any of them, to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Board of Directors may think fit and the Board of Directors may at any time remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

(c) Any such delegates as aforesaid may be authorised by the Board of Directors to subdelegate all or any of the powers, authorities, and discretions for the time being vested in them.

Managing Directors

86. The Board of Directors may, from time to time, appoint one or more of their body to the office of Managing Director for such term and at such remuneration (whether by way of salary, or commission, or participation in profits, or partly in one way and partly in another) as it may think fit but his appointment shall be subject to termination ipso facto if he ceases from any cause to be a Director.

87. The Board of Directors may entrust to and confer upon a Managing Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it may think fit and either collaterally with or to the exclusion of its own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Proceedings of Board of Directors

88. Except as otherwise provided by these Articles, the Board of Directors shall meet together for the dispatch of business, convening, adjourning and otherwise regulating its meetings as it thinks fit. Questions arising at any meeting shall be decided, resolutions shall be adopted and other action shall be taken only upon the affirmative vote of a majority of the Directors present at a meeting at which there is a quorum and in case of an equality of vote at any Board of Directors Meeting, the Chairman of the Board of Directors shall have a second vote.

89. Any Director may at any time summon a meeting of the Board of Directors by at least ten (10) days' notice in writing to every Director and Observer, which notice shall set forth the general nature of the business to be considered; *provided that* if notice is given in person, by cable, electronic mail, telex or telecopy, the same shall be deemed to have been given on the day it is delivered to the Directors or Observers or transmitting organization as the case may be. Any documents requiring the action of the Board of Directors at the meeting shall be furnished to the Directors and Observers no less than three (3) days in advance.

90. Notice of a meeting need not be given to any Director and Observers (i) who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or (ii) who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director and Observers (as the case may be). All such waivers, consents, and approvals shall be filed with the corporate records or made part of the minutes of the meeting. A waiver of notice need not specify the purpose of any regular or special meeting of the Board of Directors.

91. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

92. For the purposes of Article 91 a proxy appointed by a Director shall be counted in a quorum at a meeting at which the Director appointing him is not present.

93. A majority of the Board of Directors present, whether or not constituting a quorum (provided there was a quorum when the meeting started) may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given unless the meeting is adjourned for more than twenty-four hours. If the meeting is adjourned for more than twenty-four hours, then notice of the time and place of the adjourned meeting shall be given before the adjourned meeting takes place, in the manner specified in Article 89 to the Directors not present at the time of the adjournment.

94. A meeting of the Board of Directors shall be chaired by the Chairman of the Board of Directors. If at any meeting the Chairman is not present within thirty minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be Chairman of the meeting.

95. The Board of Directors may delegate any of its powers to committees consisting of such member or members of the Board of Directors as it thinks fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board of Directors.

96. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting of a committee shall be determined by the affirmative vote of a majority of the members present.

97. All acts done by any meeting of the Board of Directors or of a committee of the Board of Directors shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director, or that any Director was disqualified, be as valid as if every such person had been duly appointed and qualified to be a Director as the case may be.

98. Directors may participate in a meeting of the Board of Directors or of any committee thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. A resolution in writing (in one or more counterparts), signed by all the Directors for the time being or all the members of a committee of the Board of Directors shall be as valid and effectual as if it had been passed at a meeting of the Board of Directors or committee, as the case may be, duly convened and held.

99. A Director may be represented at any meetings of the Board of Directors by a proxy appointed by him in which event the presence or vote of the proxy shall for all purposes be deemed to be that of the Director. The provisions of Articles 62 – 67 shall mutatis mutandis apply to the appointment of proxies by Directors.

100. The quorum of a Board of Directors meeting shall be four (4) Directors and shall always include Sheng Chen (for so long as he remains a Director) and the Preferred Directors (if any). If a quorum is not present at such meeting, the meeting shall be adjourned until the same time and place on the same day in seven (7) days' time. If a quorum is still not present, the quorum of such adjourned meeting shall be any three (3) Directors including at least Sheng Chen (for so long as he remains a Director) and one Preferred Director (if any). If the quorum of such adjourned meeting is not present, the meeting shall be further adjourned until the same time and place on the same day in seven (7) days' time. At such further adjourned meeting, any three (3) Directors shall constitute a quorum.

Resignation, Removals and Vacancies

101. Any Director may resign effective on giving written notice to the Board of Directors, unless the notice specifies a later time for that resignation to become effective. If the resignation of a Director is effective at a future time, the Members may, subject to the provisions of Article 69, by resolution appoint a successor to take office when the resignation becomes effective.

102. Subject to the provisions of Article 69, any and all Directors may be removed with or without cause by a resolution of Members.

103. Subject to the provisions of Article 69, vacancies in the Board of Directors shall be filled by a resolution of Members.

104. A vacancy or vacancies in the Board of Directors shall be deemed to exist (i) in the event of the death, resignation or removal of any Director, (ii) if the Board of Directors by resolution declares vacant the office of a Director who has been declared of unsound mind by an order of court or convicted of a criminal offense punishable by imprisonment, (iii) if the authorized number of Directors is increased, or (iv) if the Members fail, at any meeting of Members at which any Director or Directors are elected, to elect the number of Directors to be elected at that meeting. Upon any vacancy arising as a result of paragraph (i) or (ii) above the Director concerned shall cease to be a Director.

105. Subject to Article 69, the Board of Directors shall have power by vote of a majority of the remaining Directors, even if less than a quorum, from time to time to appoint any person to be a Director at any time to fill any vacancy or vacancies not filled by the Members in accordance with Article 103. Each Director so elected shall hold office until the next annual meeting of the Members or until a successor has been appointed in accordance with Article 100.

Presumption of Assent

106. A Director of the Company who is present at a meeting of the Board of Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to such person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Register of Mortgages and Charges

107. The Company shall maintain at the registered office a register of mortgages and charges in accordance with the Law.

Seal

110. The Seal shall only be used by the authority of the Board of Directors or of a committee of the Board of Directors authorized by the Board of Directors in that behalf and every instrument to which the Seal has been affixed shall be signed by one person who shall be either a Director or the Secretary or some person appointed by the Board of Directors for the purpose; *provided that* the Company may have for use in any place or places outside the Cayman Islands, a duplicate seal or seals each of which shall be a facsimile of the Common Seal of the Company and, if the Board of Directors so determines, with the addition on its face of the name of every place where it is to be used; and *provided further,* that a Director, Secretary or other officer or representative or attorney may without further authority of the Board of Directors affix the Seal of the Company over his signature alone to any document of the Company required to be authenticated by him under Seal or to be filed with the Registrar of Companies in the Cayman Islands or elsewhere wheresoever.

Officers

111. The Company may have a President or a Secretary appointed by the Board of Directors who may also from time to time appoint such other officers as it considers necessary, all for such terms, at such remuneration and to perform such duties, and subject to such provisions as to disqualification and removal as the Board of Directors from time to time prescribes. For the avoidance of doubt, the Company may have, and the President shall then be assisted by other senior executive officers, which may consist of a Chief Financial Officer, a Chief Operating Officer and one or more other officers with independent policy-making authority (together the "**Executive Officers"**).

Redemption and Repurchase

112. (a) Subject to the provisions of the Law and the Articles, shares may be issued on the terms that they are, or at the option of the Company or the holder are, to be redeemed on such terms and in such manner as the Company, before the issue of the shares, may determine.

(b) Subject to the provisions of the Law and these Articles, the Company may purchase its own shares (including fractions of a share), including any redeemable shares, and may effect such repurchase in such manner as the Board of Directors may from time to time determine and agree with the Member or Members holding the relevant shares, including at such price and on all such other terms as the Directors may from time to time determine and agree as aforesaid, and may make payment therefor in any manner authorised by the Law, including out of capital.

(i) Subject to the approval of holders of a majority of the outstanding Preferred Shares, any holder of outstanding Series B Preferred Shares or Series C Preferred Share (a "**Redemption Holder**") may, at any time after December 1, 2014, request the Company to redeem (any and all outstanding Series B Preferred Shares or Series C Preferred Shares held by such holder whereupon the Company shall redeem such outstanding Series B Preferred Shares or Series C Preferred Shares at a redemption price equal to 120% of the Deemed Original Purchase Price applicable to such Series B Preferred Shares or Series C Preferred Shares, as the case may be, plus all declared but unpaid dividends on such outstanding Series B Preferred Shares or Series C Preferred Shares (as adjusted for any recapitalizations, share combinations, share dividends, share splits and the like) (the "**Redemption Price**") out of funds lawfully available for such purpose, by delivery of a bankers draft for such amount to the address of such holder set out in the register of members of the Company.

(ii) A Redemption Holder may exercise its rights under Article 112 (c)(i) by giving the Company a written notice stating the number of the Series B Preferred Shares and/or the Series C Preferred Shares to be redeemed by the Company and the date on which the redemption shall take place, which shall be no earlier than sixty (60) calendar days after such notice of redemption is given (the "**Redemption Date**"). Upon receipt of any such request, the Company shall promptly deliver a copy of such notice (the "**Company Notice**") to each other holder of record of Series B Preferred Shares and Series C Preferred Shares, at the address last shown on the records of the Company for such holder. Each such other holder of Series B Preferred Shares and Series C Preferred Shares shall have the right to participate in the redemption and require the Company to redeem all or part of the Series B Preferred Shares and/or Series C Preferred Shares held by such holder at the Redemption Price and on the same Redemption Date, together with the Series B Preferred Shares and/or Series C Preferred Shares of the initiating holder(s) to be redeemed, by written notice to the Company within fifteen (15) calendar days following the date of the Company Notice indicating its election to participate in the redemption and the number of its Series B Preferred Shares and/or Series C Preferred Shares to be redeemed.

(iii) If on the Redemption Date, the lawfully distributable funds of the Company shall be insufficient to make payment of the Redemption Price on all Series B Preferred Shares and Series C Preferred Shares for which redemption has been duly requested, then such lawfully distributable funds shall first be distributed among the holders of Series C Preferred Shares, ratably in proportion to the full amounts to which they would otherwise be respectively entitled thereon, and then the remaining legally distributable funds, if any, shall be distributed among the holders of Series B Preferred Shares, ratably in proportion to the full amounts to which they would otherwise be respectively entitled thereon. The Series B Preferred Shares and Series C Preferred Shares that are not redeemed shall be carried forward and redeemed in the manner described above as soon as the Company has legally distributable funds to do so.

(iv) Before any holder of Series B Preferred Shares or Series C Preferred Shares shall be entitled to receive the Redemption Price under this Article 112(c), such holder shall surrender its certificate or certificates representing such Series B Preferred Shares or Series C Preferred Shares to be redeemed to the Company in the manner and at the place designated by the Company for that purpose and each such certificate shall be cancelled. In the event less than all the shares represented by any such certificate are redeemed as provided in this Article 112(c), a new certificate shall be promptly issued representing the unredeemed shares. Unless there has been a default in payment of the Redemption Price, upon cancellation of the certificate representing such Series B Preferred Shares or Series C Preferred Shares to be redeemed, all dividends on such Series B Preferred Shares or Series C Preferred Shares designated for redemption on the Redemption Date shall cease to accrue and all rights of the holders thereof, except the right to receive the Redemption Price thereof (including all accrued and unpaid dividend up to the Redemption Date), without interest, shall cease and terminate and such Series B Preferred Shares or Series C Preferred Shares shall cease to be issued shares of the Company.

Dividends

113. Subject to the Law and to Article 115, the Board of Directors may from time to time declare dividends (including interim dividends) and distributions on shares of the Company outstanding and authorize payment of the same out of the funds of the Company lawfully available therefor.

114. All dividends declared by the Board of Directors shall be declared payable to the holders of Shares of the Company registered as such on the record date specified by the Board of Directors at the time such dividends are declared.

115. All dividends shall be declared and paid according to the par value of the shares in issue (excluding any share held by the Company at the date of declaration of the dividend). No dividend shall be paid on the Ordinary Shares in any year, unless and until equivalent dividend has also been declared and paid on the Preferred Shares on an as-converted to Ordinary Shares basis for such year. No dividend shall be paid on the Series A Preferred Shares or Series B Preferred Shares in any year, unless and until equivalent dividend has also been declared and paid on the Series C Preferred Shares on an as-converted to Ordinary Shares basis for such year.

116. The Board of Directors may, before declaring any dividends or distributions, set aside such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board of Directors, be applicable for any purpose of the Company and pending such application may, at the like discretion, be employed in the business of the Company.

117. No dividend or distribution shall be payable except out of the profits of the Company, realised or unrealised or out of the share premium account or as otherwise permitted by the Law.

118. The Board of Directors may deduct from any dividend or distribution payable to any Member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

119. The Board of Directors may declare that any dividend or distribution be paid wholly or partly by the distribution of specific assets and in particular of paid up shares, debentures, or debenture stock of any other company or in any one or more of such ways and where any difficulty arises in regard to such distribution, the Board of Directors may settle the same as it thinks expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all Members and may vest any such specific assets in trustees as may seem expedient to the Board of Directors.

120. Any dividend, interest or other monies payable in cash in respect of shares may be paid by check or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the holder who is first named on the register of members or to such person and to such address as such holder or joint holders may in writing direct. Every such check or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses, or other monies payable in respect of the share held by them as joint holders.

121. No dividend shall bear interest against the Company.

Capitalization

122. Upon the recommendation of the Board of Directors, the Members may by resolution authorise the Board of Directors to capitalise any sum standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve fund) or any sum standing to the credit or profit and loan amount or otherwise available for distribution and to appropriate such sum to Members in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend and to apply such sum on their behalf in paying up in full unissued shares (not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them in the proportion aforesaid. In such event the Board of Directors shall do all acts and things required to give effect to such capitalization, with full power to the Board of Directors to make such provisions as it thinks fit for the case of shares becoming distributable in fractions. The Board of Directors may authorize any person to enter on behalf of all of the Members interested into an agreement with the Company providing for such capitalization and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

Books of Account

123. The Board of Directors shall cause proper books of account to be kept with respect to:

(a) all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes places;

(b) all sales and purchases of goods by the Company; and

(c) the assets and liabilities of the Company.

Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

124. (a) The minutes and accounting books and records shall be open to inspection upon the written demand of any Member, at any reasonable time during usual business hours, for a proper purpose. The Board of Directors may establish procedures or conditions regarding these inspection rights for the following purposes: (i) protecting the interests of the Company; (ii) protecting the confidentiality of the information contained in those books and records; (iii) protecting the convenience of the Company; or (iv) protecting any other interest of the Company that the Board of Directors deems proper.

(b) The inspection rights provided for in this Article 124 shall terminate upon the completion of a Qualified IPO.

125. The Board of Directors may from time to time cause to be prepared and to be laid before the Company in general meeting profit and loss accounts, balance sheets, group accounts (if any) and such other reports and accounts as may be required by law.

Audit

126. The Company may at any annual general meeting appoint an Auditor or Auditors of the Company who shall hold office until the next annual general meeting and may fix his or their remuneration.

127. The Board of Directors may before the first annual general meeting appoint an Auditor or Auditors of the Company who shall hold office until the first annual general meeting unless previously removed by a resolution of the Members in general meeting in which case the Members at that meeting may appoint Auditors. The Board of Directors may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Board of Directors under this Article may be fixed by the Board of Directors.

128. Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Board of Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the Auditors.

129. Auditors shall at the next annual general meeting following their appointment and at any other time during their term of office, upon request of the Board of Directors or any general meeting of the Members, make a report on the accounts of the Company in general meeting during their tenure of office.

Notices

130. Notices shall be in writing and may be given by the Company to any Member either personally or by sending it by post, overnight courier, electronic mail, or telecopy to him or to his address as shown in the register of members, such notice, if mailed, to be forwarded airmail if the address be outside the Cayman Islands.

131. (a) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice, and to have been effected at the expiration of sixty (60) hours after the letter containing the same is posted as aforesaid.

(b) Where a notice is sent by overnight courier, service of the notice shall be deemed to be effected by properly addressing, and sending such notice through a transmitting organization and to have been effected on the day the same is sent as aforesaid.

(c) Where a notice is sent by electronic mail or telecopy, service of the notice shall be deemed to be effected by transmitting the electronic mail or telecopy to the electronic mail address or telecopy number, as the case may be, provided by the intended recipient and shall be deemed to have been effected on the same day that the same is sent as aforesaid, provided that the recipient acknowledges or confirms receipt of such electronic mail or telecopy.

132. A notice may be given by the Company to the joint holders of record of a share by giving the notice to the joint holder first named on the register of members in respect of the share.

133. A notice may be given by the Company to the person or persons which the Company has been advised are entitled to a share or shares in consequence of the death or bankruptcy of a Member by sending it through the post as aforesaid in a pre-paid letter addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description at the address supplied for that purpose by the persons claiming to be so entitled, or at the option of the Company by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

134. Notice of every general meeting shall be given in any manner hereinbefore authorised to:

(a) every person shown as a Member in the register of members as of the record date for such meeting except that in the case of joint holders the notice shall be sufficient if given to the joint holder first named in the register of members; and

(b) every person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a Member of record where the Member of record but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other person shall be entitled to receive notices of general meetings.

Pension and Superannuation Funds

135. The Directors may, subject to resolution of the Members, establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company or any company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary, or who are or were at any time directors or officers of the Company or of any such other company as aforesaid or who hold or held any salaried employment or office in the Company or such other company, or any persons in whose welfare the Company or any such other company as aforesaid is or has been at any time interested, and may make payments for widows, families and dependents of any such persons as aforesaid, and may do any of or towards the insurance of any such persons as aforesaid, and may do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid. A Director holding any such employment or office shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument.

136. If the Company shall be wound up, the liquidator shall apply the assets of the Company in satisfaction of creditors' claims in such manner and order as he thinks fit. The liquidator shall, in relation to the assets available for distribution among the Members, distribute the same to the Members as follows:

(a) (i) In the event of any liquidation, dissolution or winding up of the Company in which the valuation of the Company is more than the total Deemed Original Purchase Price of all the Series A1 Preferred Shares, Series B1 Preferred Shares, Series B2 Preferred Shares and Series C1 Preferred Shares, prior and in preference to any distribution of any of the assets or funds of the Company to the holders of Ordinary Shares and Series A Preferred Shares and Series B Preferred Shares, the holders of Series C Preferred Shares shall be entitled to receive for each outstanding Series C Preferred Share then held by them an amount equal to the Deemed Original Purchase Price applicable to such Series C Preferred Share plus all declared but unpaid dividends and distribution on such Series C Preferred Share (as adjusted for any recapitalizations, share combinations, share dividends, share splits and the like). If, upon the occurrence of such liquidation, dissolution or winding up, the assets and funds of the Company legally available for distribution to the Members by reason of their ownership of shares of the Company shall be insufficient to permit the payment to such holders of Series C Preferred Shares of the full aforementioned preferential amount, then the entire assets and funds of the Company legally available for distribution to the Members shall be distributed pro-rata among the holders of Series C Preferred Shares based on the Deemed Original Purchase Price applicable to the Series C Preferred Shares.

(ii) After payment to the holders of Series C Preferred Shares of the amounts to which they are entitled pursuant to sub-paragraph (i) above, the holders of Series B Preferred Shares shall be entitled to receive for each outstanding Series B Preferred Share then held by them an amount equal to the Deemed Original Purchase Price applicable to such Series B Preferred Share plus all declared but unpaid dividends on such Series B Preferred Share (as adjusted for any recapitalizations, share combinations, share dividends, share splits and the like). If, upon the occurrence of such liquidation, dissolution or winding up, the assets and funds of the Company that remain legally available for distribution to the Members by reason of their ownership of shares of the Company after payment to the holders of Series C Preferred Shares of the amounts to which they are entitled pursuant to sub-paragraph (i) above, shall be insufficient to permit the payment to such holders of Series B Preferred Shares of the full aforementioned preferential amount, then all such assets and funds of the Company that remain legally available for distribution to the Members by reason of their ownership of shares of the Company after payment to the holders of Series C Preferred Shares of the amounts to which they are entitled pursuant to sub-paragraph (i) above, shall be distributed pro rata among the holders of Series B Preferred Shares based on the weighted average of the Deemed Original Purchase Price applicable to Series B Preferred Shares.

(iii) After payment to the holders of Series C Preferred Shares and Series B Preferred Shares of the amounts to which they are entitled pursuant to sub-paragraphs (i) and (ii) above, the holders of Series A Preferred Shares shall be entitled to receive for each outstanding Series A Preferred Share then held by them an amount equal to the Deemed Original Purchase Price applicable to such Series A Preferred Share plus all declared but unpaid dividends on such Series A Preferred Share (as adjusted for any recapitalizations, share combinations, share dividends, share splits and the like). If, upon the occurrence of such liquidation, dissolution or winding up, the assets and funds of the Company that remain legally available for distribution to the Members by reason of their ownership of shares of the Company after payment to the holders of Series C Preferred Shares and Series B Preferred Shares of the amounts to which they are entitled pursuant to sub-paragraphs (i) and (ii) above, shall be insufficient to permit the payment to such holders of Series A Preferred Shares of the full aforementioned preferential amount, then all such assets and funds of the Company that remain legally available for distribution to the Members by reason of their ownership of shares of the Company after payment to the holders of Series C Preferred Shares and Series B Preferred Shares of the amounts to which they are entitled pursuant to sub-paragraphs (i) and (ii) above, shall be distributed pro rata among the holders of Series A Preferred Shares based on the weighted average of the Deemed Original Purchase Price applicable to Series A Preferred Shares.

(iv) After payment to the holders of the Preferred Shares of the amounts to which they are entitled pursuant to sub-paragraphs (i) through (iii) above, all assets and funds of the Company that remain legally available for distribution to the Members by reason of their ownership of Shares of the Company shall be distributed pro rata among the holders of Ordinary Shares and the holders of Preferred Shares (on an as-converted to Ordinary Shares basis) in proportion to the number of Ordinary Shares held by each such holder.

(b) (i) In the event of any liquidation, dissolution or winding up of the Company in which the valuation of the Company is not more than the total Deemed Original Purchase Price of all the Series A1 Preferred Shares, Series B1 Preferred Shares, Series B2 Preferred Shares and Series C1 Preferred Shares, prior and in preference to any distribution of any of the assets or funds of the Company to the holders of Ordinary Shares, the holders of Preferred Shares shall be entitled to receive for each outstanding Preferred Share then held by them an amount equal to the Deemed Original Purchase Price applicable to such Preferred Share plus all declared but unpaid dividends and distribution on such Preferred Share (as adjusted for any recapitalizations, share combinations, share dividends, share splits and the like) If, upon the occurrence of a liquidation, dissolution or winding up, the assets and funds of the Company legally available for distribution to the Members by reason of their ownership of shares of the Company shall be insufficient to permit the payment to such holders of Preferred Shares of the full aforementioned preferential amount, then the entire assets and funds of the Company legally available for distribution to the Members shall be distributed pro rata among the holders of Preferred Shares based on the Deemed Original Purchase Price applicable to the respective Preferred Shares.

(ii) After payment to the holders of Preferred Shares of the amounts to which they are entitled pursuant to sub-paragraph (i) above, all assets and funds of the Company that remain legally available for distribution to the Members by reason of their ownership of Shares of the Company shall be distributed pro rata among the holders of Ordinary Shares and the holders of Preferred Shares (on an as converted to Ordinary Shares basis) in proportion to the number of Ordinary Shares held by each such holder.

137. Notwithstanding Article 138, a Trade Sale in which the Directors and senior managers of the Company immediately prior to the Trade Sale are not the same or substantially the same as the Directors and senior managers of the acquirer or the surviving or resulting entity shall be treated as a liquidation, dissolution or winding up so that the Members shall receive payment in such priority as set out in Article 136, whether by way of dividend or redemption of shares (as determined by the Board of Directors in its absolute discretion), unless the total consideration from such Trade Sale results in a valuation of the Company of greater than three (3) times the valuation of the Company calculated based on the highest Deemed Original Purchase Price of the Series C Preferred Shares (as adjusted, if applicable) and in such event the Members shall receive such payment on a pro rata basis in proportion to the number of Ordinary Shares or Preferred Shares (on an as-converted to Ordinary Shares basis) held by each of them.

138. The Company may only be voluntarily liquidated, dissolved or wound-up by the Members by Special Resolution, or by ordinary resolution if the Company is unable to pay its debts as they fall due.

139. For the purposes of Article 136, a liquidation, dissolution or winding-up of the Company shall be deemed to have occurred upon a consolidation or merger of the Company with or into any other company or companies in which the existing Members immediately prior to the consummation of such consolidation or merger do not retain a majority of the voting power in the surviving company.

Indemnity

139. The Directors and officers for the time being of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and their heirs, executors, administrators and personal representatives respectively shall be indemnified to the maximum extent permitted by law out of the assets of the Company from and against all actions, proceedings, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done or omitted in or about the execution of their duty in their respective offices or trusts, except such (if any) as they shall incur or sustain by or through their own wilful neglect or default respectively and no such Director, officer or trustee shall be answerable for the acts, receipts, neglects or defaults of any other Director, officer or trustee or for joining in any receipt for the sake of conformity or for the solvency or honesty of any banker or other persons with whom any monies or effects belonging to the Company may be lodged or deposited for safe custody or for any insufficiency of any security upon which any monies of the Company may be invested or for any other loss or damage due to any such cause as aforesaid or which may happen in or about the execution of his office or trust unless the same shall happen through the wilful neglect or default of such Director, Officer or trustee.

Fiscal Year

140. Unless the Board of Directors otherwise prescribe, the financial year of the Company shall end on 31 December in each year.

Amendments of Articles

141. Subject to the provisions of the Law and these Articles, the Company may at any time and from time to time by Special Resolution of Members alter or amend these Articles in whole or in part.

Protective Provisions

142. Subject to the Law, the Company shall not, and shall also procure that none of the other Group Companies will:

(a) save as otherwise agreed in the annual budget, without first obtaining the written approval of more than two-thirds (2/3) of the Directors of the Company including a majority of the Preferred Directors (and in respect of paragraph (vi) below, including the approval of the Chairman of the Board of Directors of the Company):

(i) change any part of its business activities;

(ii) acquire any investment or incur any commitment (otherwise as approved in the annual budget) in excess of US$200,000 (or its equivalent in any other currency or currencies) at any time in respect of any one transaction or in excess of US$1,000,000 (or its equivalent in any other currency or currencies) at any time in related transactions in any financial year;

(iii) borrow any money or obtain any financial facilities except pursuant to trade facilities obtained from banks or other financial institutions in the ordinary course of business;

(iv) create, allow to create or issue any debenture constituting a pledge, lien or charge (whether by way of fixed or floating charge, mortgage encumbrance or other security) on all or any of its undertaking, assets or rights except for the purpose of securing borrowings of not more than US$200,000 at any time or an aggregate of US$1,000,000 per year from banks or other financial institutions in the ordinary course of business;

(v) make any advances or other credits involving more than US$250,000 in a single transaction or more than US$500,000 in the aggregate in any fiscal year to any person, or guarantee, indemnify, act as surety for, or otherwise secure or accept or assume any direct or indirect liability for the liabilities of or obligations of any person except as security for facilities or loans granted to it or in the ordinary course of its business;

(vi) appoint, dismiss and determine the terms of such appointment or dismissal of its Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Chief Technology Officer;

(vii) amend the accounting policies previously adopted or change its financial year;

(viii) approve, adopt or amend the terms of any bonus (other than as approved in the annual budget) or profit sharing scheme;

(ix) appoint or change its auditors;

(x) approve or make adjustments or modifications to terms of transactions involving the interest of any Director or shareholder, including but not limited to the making of any loans or advances, whether directly or indirectly, except on arms-length terms in the ordinary course of business and in amounts less than US$100,000 in the aggregate per year; or the provision of any guarantee, indemnity or security for or in connection with any indebtedness of liabilities of any Director or shareholder;

(xi) amend, alter or modify any term of any financing or lending agreements or arrangements to which it is a party;

(xii) approve or amend the annual budget; or

(xiii) approve, adopt or amend the terms of any employee share option or equity incentive scheme.

(b) without first obtaining the written approval of (i) holder(s) of not less than 51% of all outstanding Series A Preferred Shares; (ii) holder(s) of not less than 51% of all the outstanding Series B Preferred Shares; and (iii) holder(s) of not less than 51% of all the outstanding Series C Preferred Shares:

(i) amend or alter its memorandum of association, articles of association, by-laws, regulations or any other constitutional documents in a manner that would adversely affect the rights of a holder of Preferred Shares;

(ii) create (by new authorization, reclassification, recapitalization or otherwise) or issue any class or series of shares or stock or securities exchangeable for or convertible into shares

(iii) consolidate or divide or alter, increase or reduce all or any of its share capital, or grant or issue any options rights or warrants which may require the issue of shares in the future or do any act which has the effect of diluting or reducing the effective shareholding of the Preferred Shareholders in the Company;

(iv) pay or declare any dividends, or make any other distribution of cash, shares or other assets, on any of its shares;

(v) capitalize any sum standing to the credit of any of its reserve accounts or profit or loan accounts;

(vi) authorize a merger or consolidation or sale or spin-off of all or substantially all of its assets;

(vii) sell, lease, convey, exchange, transfer, grant an exclusive license in any country under, or otherwise dispose of (x) the patents and any other tangible or intangible assets which are requisite for it to carry on its business or (y) all or substantially all of the assets held by it;

(viii) redeem, repurchase, cancel or otherwise acquire any of its shares or securities; *provided*, *however*, that this restriction shall not apply to the redemption, repurchase or other acquisition of (x) securities from employees, officers, directors or consultants upon termination of service or employment, or (y) securities upon the exercise by the Company of a right of first refusal under Article 11(d) approved by the Board;

(ix) authorize, adopt, amend or establish, or allocate additional shares or options to, any employee share grant, share purchase, share options, incentive or compensation plan, program or arrangement;

(x) change in any material respect the nature of its current or contemplated business as carried on as of the date hereof;

(xi) establish or invest in, or divest or sell of any interest in, any Group Company or affiliated company;

(xii) approve the listing of its shares on any stock exchange;

(xiii) approve any recapitalization, restructuring or reorganization or any action that would result in its dissolution, liquidation or winding up, or apply for the appointment of a receiver, manager or judicial manager or like officer;

(xiv) increase or decrease the maximum number of Directors;

(xv) enter into any joint venture agreements or the formation of any subsidiary;

(xvi) acquire any share capital or other securities of any body corporate or the establishment of any branch;

(xvii) sell, transfer, license, charge, encumber or otherwise dispose of any trademarks, patents or other intellectual property owned by it except in the ordinary course of its business;

(xviii) dispose or dilute its interest, directly or indirectly in any of its Subsidiaries; or

(xix) approve any transfer of its shares.

In addition to (but not in derogation of) the foregoing, the Company shall not, and shall procure each of the other Group Companies not to, without first obtaining the written approval of holder(s) of not less than 51% of a class of outstanding Preferred Shares, repeal, alter or amend these Articles in a manner which affects the rights, preferences, privileges or powers or restrictions attaching to that class of Preferred Shares or take any other action which affects such rights, preferences, privileges or powers or restrictions, take any action that authorizes, creates or issues any securities of any class in the Group Company having rights superior or on a parity to that class of Preferred Shares, and take any action that reclassifies any securities of any class in the Group Company into shares having rights superior or on a parity to that class of Preferred Shares. For the avoidance of doubt, for the purpose of this sub-paragraph, all Series A Preferred Shares shall be deemed to belong to one single class, all Series B Preferred Shares shall be deemed to belong to one single class, and all Series C Preferred Shares shall be deemed to belong to one single class.

Where any Special Resolution or ordinary resolution of the Company in a general meeting is required to approve any of the matters set forth in this Article 142(b) and such matter has not received the approval of the holders of the Series A Preferred Shares, Series B Preferred Shares or Series C Preferred Shares, as the case may be, as required by this Article 142(b), the holders of the Series A Preferred Shares, Series B Preferred Shares or Series C Preferred Shares, as the case may be, who vote against the resolution shall have the number of votes equal to the votes of all Members who vote for the resolution plus one.

(c) This Article 142 shall terminate and thereafter have no effect upon the closing of the Qualified IPO.

144. The Company may by a resolution of Members continue as a company incorporated under the laws of a jurisdiction outside the Cayman Islands in the manner provided for by the laws of that other jurisdiction.

Exhibit 3.2

THE COMPANIES LAW (2010 REVISION)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

FOURTH AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION

OF

21VIANET GROUP, INC.

(Adopted by a Special Resolution passed on March 31, 2011 and effective immediately prior to the completion of the Company's initial public offering of Class A Ordinary Shares represented by American Depository Shares)

THE COMPANIES LAW (2010 REVISION)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

FOURTH AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION

OF

21VIANET GROUP, INC.

(Adopted by a Special Resolution passed on March 31, 2011 and effective immediately prior to the completion of the Company's initial public offering of Class A Ordinary Shares represented by American Depository Shares)

1. The name of the Company is 21Vianet Group, Inc.
2. The Registered Office of the Company is situated at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, or at such other location within the Cayman Islands as the Directors may from time to time determine.
3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Law or any other law of the Cayman Islands.
4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by the Companies Law.
5. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
6. The liability of each Shareholder of the Company is limited to the amount, if any, unpaid on the Shares held by such Shareholder.
7. The authorised share capital of the Company is US$7,700 divided into (i) 470,000,000 Class A Ordinary Shares of a nominal or par value of US$0.00001 each and (ii) 300,000,000 Class B Ordinary Shares of a nominal or par value of US$0.00001 each. Subject to the Companies Law and the Articles of Association, the Company shall have power to redeem or purchase any of its Shares and to sub-divide or consolidate the said Shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority, special privilege or other rights or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.

8. The Company has the power to deregister in the Cayman Islands and be registered by way of continuation in some other jurisdiction.

9. Capitalized terms that are not defined in this Memorandum of Association bear the same meanings as those given in the Articles of Association of the Company.

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THE COMPANIES LAW (2010 REVISION)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

FOURTH AMENDED AND RESTATED
ARTICLES OF ASSOCIATION

OF

21VIANET GROUP, INC.

(Adopted by a Special Resolution passed on March 31, 2011 and effective
immediately prior to the completion of the Company's initial public offering of Class A Ordinary Shares
represented by American Depository Shares)

TABLE A

The Regulations contained or incorporated in Table 'A' in the First Schedule of the Law shall not apply to the Company and the following Articles shall comprise the Articles of Association of the Company.

INTERPRETATION

1. In these Articles the following defined terms will have the meanings ascribed to them, if not inconsistent with the subject or context:

"**ADS**"	means an American depositary share representing Class A Ordinary Shares;
"**Affiliate**"	means, with respect to any specified Person, any other Person who or which, directly or indirectly, controls, is controlled by, or is under common control with such specified Person, including without limitation, any partners, officer, director, member or employee of such Person and any venture capital fund now or hereafter existing that is controlled by or under common control with one or more general partners or managing members of, or shares the same management company with, such Person;
"**Articles**" or "**Articles of Association"**	means these articles of association of the Company, as amended or substituted from time to time;

"**Board**" or "**Board of Directors**" or "**Directors**"	means the directors of the Company for the time being, or as the case may be, the directors assembled as a board or as a committee thereof;
"**Chairman**"	means the chairman of the Board of Directors;
"**Class**" or "**Classes**"	means any class or classes of Shares as may from time to time be issued by the Company;
"**Class A Ordinary Share**"	means a Class A Ordinary Share in the capital of the Company with a par value of US$0.00001 per share.
"**Class B Ordinary Share**"	means a Class B Ordinary Share in the capital of the Company with a par value of US$0.00001 per share.
"**Commission**"	means Securities and Exchange Commission of the United States of America or any other federal agency for the time being administering the Securities Act;
"**Company**"	means 21Vianet Group, Inc., a Cayman Islands exempted company;
"**Companies Law**"	means the Companies Law (2010 Revision) of the Cayman Islands and any statutory amendment or re-enactment thereof;
"**Company's Website"**	means the website of the Company, the address or domain name of which has been notified to Shareholders;
"**Designated Stock Exchange**"	means The New York Stock Exchange in the United States or any other stock exchange that the Company's ADSs are listed for trading;
"**Designated Stock Exchange Rules**"	means the relevant code, rules and regulations, as amended, from time to time, applicable as a result of the original and continued listing of any shares or ADSs on the Designated Stock Exchange;
"**electronic"**	means the meaning given to it in the Electronic Transactions Law and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;
"**electronic communication"**	means electronic posting to the Company's Website, transmission to any number, address or internet website or other electronic delivery methods as otherwise decided and approved by not less than two-thirds of the vote of the Board;
"**Electronic**	means the Electronic Transactions Law (2003 Revision) of

Transactions Law"	the Cayman Islands and any statutory amendment or re-enactment thereof;
"**Independent Director**"	means a director who is an independent director as defined in the Designated Stock Exchange Rules;
"**Law**"	means the Companies Law and every other law and regulation of the Cayman Islands for the time being in force concerning companies and affecting the Company;
"**Memorandum of Association**"	means the memorandum of association of the Company, as amended or substituted from time to time;
"**Month**"	means calendar month;
"**Ordinary Resolution**"	means a resolution: (a) passed by a simple majority of such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled; or (b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments, if more than one, is executed;
"**Ordinary Share**"	means a Class A Ordinary Share or a Class B Ordinary Share;
"**paid up**"	means paid up as to the par value in respect of the issue of any Shares and includes credited as paid up;
"**Person**"	means any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires;
"**Register**"	means the register of Members of the Company maintained in accordance with the Companies Law;
"**Registered Office**"	means the registered office of the Company as required by the Companies Law;
"**Seal**"	means the common seal of the Company (if adopted) including any facsimile thereof;

"**Secretary**"	means any Person appointed by the Directors to perform any of the duties of the secretary of the Company;
"**Securities Act**"	means the Securities Act of 1933 of the United States of America, as amended, or any similar federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time;
"**Share**"	means a share in the capital of the Company. All references to "Shares" herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression "Share" shall include a fraction of a Share;
"**Shareholder**" or "**Member**"	means a Person who is registered as the holder of Shares in the Register;
"**Share Premium Account**"	means the share premium account established in accordance with these Articles and the Companies Law;
"**signed**"	means bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication;
"**Special Resolution**"	means a special resolution of the Company passed in accordance with the Law, being a resolution: (a) passed by a majority of not less than two-thirds of such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled; or (b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments, if more than one, is executed;
"**United States**"	means the United States of America, its territories, its possessions and all areas subject to its jurisdiction; and
"**year**"	means calendar year.

2. In these Articles, save where the context requires otherwise:

(a) words importing the singular number shall include the plural number and vice versa;

(b) words importing the masculine gender only shall include the feminine gender and any Person as the context may require;

(c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;

(d) reference to a dollar or dollars (or US$) and to a cent or cents is reference to dollars and cents of the United States of America;

(e) reference to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force;

(f) reference to any determination by the Directors shall be construed as a determination by the Directors in their sole and absolute discretion and shall be applicable either generally or in any particular case;

(g) reference to "in writing" shall be construed as written or represented by any means reproducible in writing, including any form of print, lithograph, email, facsimile, photograph or telex or represented by any other substitute or format for storage or transmission for writing or partly one and partly another; and

(h) Section 8 of the Electronic Transactions Law shall not apply.

3. Subject to the last two preceding Articles, any words defined in the Companies Law shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

PRELIMINARY

4. The business of the Company may be conducted as the Directors see fit.

5. The Registered Office shall be at such address in the Cayman Islands as the Directors may from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.

6. The expenses incurred in the formation of the Company and in connection with the offer for subscription and issue of Shares shall be paid by the Company. Such expenses may be amortised over such period as the Directors may determine and the amount so paid shall be charged against income and/or capital in the accounts of the Company as the Directors shall determine.

7. The Directors shall keep, or cause to be kept, the Register at such place as the Directors may from time to time determine and, in the absence of any such determination, the Register shall be kept at the Registered Office.

SHARES

8. Subject to these Articles, all Shares for the time being unissued shall be under the control of the Directors who may:

(a) issue, allot and dispose of the same to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine; and

(b) grant options with respect to such Shares and issue warrants or similar instruments with respect thereto;

and, for such purposes, the Directors may reserve an appropriate number of Shares for the time being unissued.

9. The Directors may authorise the division of Shares into any number of Classes and the different Classes shall be authorised, established and designated (or re-designated as the case may be) and the variations in the relative rights (including, without limitation, voting, dividend and redemption rights), restrictions, preferences, privileges and payment obligations as between the different Classes (if any) may be fixed and determined by the Directors or by a Special Resolution. The Directors may issue Shares with such preferred or other rights, all or any of which may be greater than the rights of Ordinary Shares, at such time and on such terms as they may think appropriate.

10. The Company may insofar as may be permitted by law, pay a commission to any Person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any Shares. Such commissions may be satisfied by the payment of cash or the lodgement of fully or partly paid-up Shares or partly in one way and partly in the other. The Company may also pay such brokerage as may be lawful on any issue of Shares.

11. The Directors may refuse to accept any application for Shares, and may accept any application in whole or in part, for any reason or for no reason.

MODIFICATION OF RIGHTS

12. Whenever the capital of the Company is divided into different Classes the rights attached to any such Class may, subject to any rights or restrictions for the time being attached to any Class, only be materially adversely varied or abrogated with the consent in writing of the holders of a majority of the issued Shares of that Class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the Shares of that Class. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, *mutatis mutandis*, apply, except that the necessary quorum shall be one or more Persons at least holding or representing by proxy one-third in nominal or par value amount of the issued Shares of the relevant Class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those Shareholders who are present shall form a quorum) and that, subject to any rights or restrictions for the time being attached to the Shares of that Class, every Shareholder of the Class shall on a poll have one vote for each Share of the Class held by him. For the purposes of this Article the Directors may treat all the Classes or any two or more Classes as forming one Class if they consider that all such Classes would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate Classes.

13. The rights conferred upon the holders of the Shares of any Class issued with preferred or other rights shall not, subject to any rights or restrictions for the time being attached to the Shares of that Class, be deemed to be materially adversely varied or abrogated by, *inter alia*, the creation, allotment or issue of further Shares ranking *pari passu* with or in priority or subsequent to them or the redemption or purchase of any Shares of any Class by the Company. The rights of the holders of Shares shall not be deemed to be materially adversely varied or abrogated by the creation or issue of Shares with preferred or other rights including, without limitation, the creation of Shares with enhanced or weighted voting rights.

CERTIFICATES

14. Every Person whose name is entered as a member in the Register shall, without payment, be entitled to a certificate within two months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) in the form determined by the Directors. All certificates shall specify the Share or Shares held by that person and the amount paid up thereon, provided that in respect of a Share or Shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a Share to one of several joint holders shall be sufficient delivery to all. All certificates for Shares shall be delivered personally or sent through the post addressed to the member entitled thereto at the Member's registered address as appearing in the Register.

15. Every share certificate of the Company shall bear legends required under the applicable laws, including the Securities Act.

16. Any two or more certificates representing Shares of any one Class held by any Member may at the Member's request be cancelled and a single new certificate for such Shares issued in lieu on payment (if the Directors shall so require) of US$1.00 or such smaller sum as the Directors shall determine.

17. If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same Shares may be issued to the relevant Member upon request subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.

18. In the event that Shares are held jointly by several persons, any request may be made by any one of the joint holders and if so made shall be binding on all of the joint holders.

FRACTIONAL SHARES

19. The Directors may issue fractions of a Share and, if so issued, a fraction of a Share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to nominal or par value, premium, contributions, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without prejudice to the generality of the foregoing, voting and participation rights) and other attributes of a whole Share. If more than one fraction of a Share of the same Class is issued to or acquired by the same Shareholder such fractions shall be accumulated.

LIEN

20. The Company has a first and paramount lien on every Share (whether or not fully paid) for all amounts (whether presently payable or not) payable at a fixed time or called in respect of that Share. The Company also has a first and paramount lien on every Share registered in the name of a Person indebted or under liability to the Company (whether he is the sole registered holder of a Share or one of two or more joint holders) for all amounts owing by him or his estate to the Company (whether or not presently payable). The Directors may at any time declare a Share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a Share extends to any amount payable in respect of it.

21. The Company may sell, in such manner as the Directors in their absolute discretion think fit, any Share on which the Company has a lien, but no sale shall be made unless an amount in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing, demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share, or the Persons entitled thereto by reason of his death or bankruptcy.

22. For giving effect to any such sale the Directors may authorise some Person to transfer the Shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the Shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

23. The proceeds of the sale after deduction of expenses, fees and commission incurred by the Company shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the Shares prior to the sale) be paid to the Person entitled to the Shares immediately prior to the sale.

CALLS ON SHARES

24. Subject to the terms of the allotment, the Directors may from time to time make calls upon the Shareholders in respect of any moneys unpaid on their Shares by giving notice to such Shareholders at least fourteen days prior to the specified time of payment, and each Shareholder shall pay to the Company at the time or times so specified the amount called on such Shares.

25. The joint holders of a Share shall be jointly and severally liable to pay calls in respect thereof.

26. If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest upon the sum at the rate of eight percent per annum from the day appointed for the payment thereof to the time of the actual payment, but the Directors shall be at liberty to waive payment of that interest wholly or in part.

27. The provisions of these Articles as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the amount of the Share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

28. The Directors may make arrangements on the issue of partly paid Shares for a difference between the Shareholders, or the particular Shares, in the amount of calls to be paid and in the times of payment.

29. The Directors may, if they think fit, receive from any Shareholder willing to advance the same all or any part of the moneys uncalled and unpaid upon any partly paid Shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding without the sanction of an Ordinary Resolution, eight percent per annum) as may be agreed upon between the Shareholder paying the sum in advance and the Directors.

FORFEITURE OF SHARES

30. If a Shareholder fails to pay any call or instalment of a call in respect of partly paid Shares on the day appointed for payment, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

31. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the Shares in respect of which the call was made will be liable to be forfeited.

32. If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may at any time thereafter, before the payment required by notice has been made, be forfeited by a resolution of the Directors to that effect.

33. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

34. A Person whose Shares have been forfeited shall cease to be a Shareholder in respect of the forfeited Shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the Shares forfeited, but his liability shall cease if and when the Company receives payment in full of the amount unpaid on the Shares forfeited.

35. A certificate in writing under the hand of a Director of the Company that a Share has been duly forfeited on a date stated in the certificate, shall be conclusive evidence of the facts in the declaration as against all Persons claiming to be entitled to the Share.

36. The Company may receive the consideration, if any, given for a Share on any sale or disposition thereof pursuant to the provisions of these Articles as to forfeiture and may execute a transfer of the Share in favour of the Person to whom the Share is sold or disposed of and that Person shall be registered as the holder of the Share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the disposition or sale.

37. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes due and payable, whether on account of the amount of the Share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

TRANSFER OF SHARES

38. The instrument of transfer of any Share shall be in writing and in any usual or common form or such other form as the Directors may, in their absolute discretion, approve and be executed by or on behalf of the transferor and if in respect of a nil or partly paid up Share, or if so required by the Directors, shall also be executed on behalf of the transferee and shall be accompanied by the certificate (if any) of the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain a Shareholder until the name of the transferee is entered in the Register in respect of the relevant Shares.

39. (a) The Directors may in their absolute discretion decline to register any transfer of Shares which is not fully paid up or on which the Company has a lien.

(b) The Directors may also, but are not required to, decline to register any transfer of any Share unless:

i. the instrument of transfer is lodged with the Company, accompanied by the certificate for the Shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

ii. the instrument of transfer is in respect of only one Class of Shares;

iii. the instrument of transfer is properly stamped, if required;

iv. in the case of a transfer to joint holders, the number of joint holders to whom the Share is to be transferred does not exceed four;

v. the Shares transferred are free of any lien in favour of the Company; and

vi. a fee of such maximum sum as the Designated Stock Exchange may determine to be payable, or such lesser sum as the Board of Directors may from time to time require, is paid to the Company in respect thereof.

40. The registration of transfers may, on 14 days' notice being given by advertisement in such one or more newspapers or by electronic means, be suspended and the Register closed at such times and for such periods as the Directors may, in their absolute discretion, from time to time determine, provided always that such registration of transfer shall not be suspended nor the Register of Members closed for more than 30 days in any year.

41. All instruments of transfer that are registered shall be retained by the Company. If the Directors refuse to register a transfer of any Shares, they shall within two months after the date on which the transfer was lodged with the Company send to each of the transferor and the transferee notice of the refusal.

CLASS A ORDINARY SHARES AND CLASS B ORDINARY SHARES

42. Each Class B Ordinary Share is convertible into one (1) Class A Ordinary Share at any time by the holder thereof. The right to convert shall be exercisable by the holder of the Class B Ordinary Share delivering a written notice to the Company that such holder elects to convert a specified number of Class B Ordinary Shares into Class A Ordinary Shares.

Class A Ordinary Shares are not convertible into Class B Ordinary Shares under any circumstances.

Any conversion of Class B Ordinary Shares to Class A Ordinary Shares shall be effected by way of the re-designation of such Class B Ordinary Shares into an equal number of Class A Ordinary Shares. Such conversion shall become effective forthwith upon entries being made in the Register of Members to record the re-designation of the relevant Class B Ordinary Shares as Class A Ordinary Shares.

Subject to the Companies Law and notwithstanding any other provisions of these Articles, upon any transfer of Class B Ordinary Shares by a holder thereof to any Person which is not an Affiliate of such holder, such Class B Ordinary Shares shall be automatically and immediately converted into an equal number of Class A Ordinary Shares.

Save and except for voting rights as set out in Article 71 and conversion rights as set out in this Article 42, the Class A Ordinary Shares and the Class B Ordinary Shares shall rank pari passu and shall have the same rights, preferences, privileges and restrictions.

TRANSMISSION OF SHARES

43. The legal personal representative of a deceased sole holder of a Share shall be the only Person recognised by the Company as having any title to the Share. In the case of a Share registered in the name of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased survivor, shall be the only Person recognised by the Company as having any title to the Share.

44. Any Person becoming entitled to a Share in consequence of the death or bankruptcy of a Shareholder shall upon such evidence being produced as may from time to time be required by the Directors, have the right either to be registered as a Shareholder in respect of the Share or, instead of being registered himself, to make such transfer of the Share as the deceased or bankrupt Person could have made; but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by the deceased or bankrupt Person before the death or bankruptcy.

45. A Person becoming entitled to a Share by reason of the death or bankruptcy of a Shareholder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered Shareholder, except that he shall not, before being registered as a Shareholder in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company, provided however, that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within ninety days, the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.

REGISTRATION OF EMPOWERING INSTRUMENTS

46. The Company shall be entitled to charge a fee not exceeding one dollar (US$1.00) on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, notice in lieu of distringas, or other instrument.

ALTERATION OF SHARE CAPITAL

47. The Company 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.

48. The Company may by Ordinary Resolution:

(a) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares;

(b) convert all or any of its paid up Shares into stock and reconvert that stock into paid up Shares of any denomination;

(c) subdivide its existing Shares, or any of them into Shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived; and

(d) cancel any Shares that, 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 its share capital by the amount of the Shares so cancelled.

49. The Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorised by law.

REDEMPTION AND PURCHASE OF SHARES

50. Subject to the provisions of the Companies Law and these Articles, the Company may:

(a) issue Shares that are to be redeemed or are liable to be redeemed at the option of the Shareholder or the Company. The redemption of Shares shall be effected in such manner as may be determined, before the issue of such Shares, by either the Board or by the Shareholders by Special Resolution;

(b) purchase its own Shares (including any redeemable Shares) provided that the Shareholders shall have approved the manner of purchase by Ordinary Resolution or the manner of purchase is in accordance with the following Articles (this authorisation is in accordance with section 37(2) of the Companies Law); and

(c) the Company may make a payment in respect of the redemption or purchase of its own Shares in any manner permitted by the Companies Law, including out of capital.

51. *Purchase of Shares represented by ADSs listed on the Designated Stock Exchange*

The Company is authorised to purchase any Shares which are represented by ADSs listed on the Designated Stock Exchange in accordance with the following manner of purchase:

(a) in the event that the Company purchases any ADSs, it shall also purchase the Shares underlying such ADS in accordance with this Article;

(b) the purchase price shall be paid by the Company to the depositary, to be paid by the depositary to the seller of the relevant ADSs (and such monies shall be held on trust by the depositary for the account of such seller until they have been paid to such seller), or may, by agreement between the depositary and the Company, be paid directly by the Company to such seller;

(c) the maximum number of Shares that may be repurchased shall be equal to the number of issued and outstanding Shares less one Share; and

(d) the repurchase of the ADSs and the underlying Shares shall be at such time; at such price and on such other terms as determined and agreed by the Board in their sole discretion provided however that:

(i) such repurchase transactions shall be in accordance with the Designated Stock Exchange Rules and any other relevant codes, rules and regulations applicable to the listing of the ADSs on the Designated Stock Exchange; and

(ii) at the time of the repurchase, the Company is able to pay its debts as they fall due in the ordinary course of its business.

52. *Purchase of shares not represented by ADSs*

The Company is authorised to purchase any Shares not underlying ADSs in accordance with the following manner of purchase:

(a) the Company shall serve a repurchase notice in a form approved by the Board on the Shareholder from whom the Shares are to be repurchased at least two business days prior to the date specified in the notice as being the repurchase date;

(b) the price for the Shares being repurchased shall be such price agreed between the Board and the applicable Shareholder;

(c) the date of repurchase shall be the date specified in the repurchase notice; and

(d) the repurchase shall be on such other terms as specified in the repurchase notice as determined and agreed by the Board and the applicable Shareholder in their sole discretion.

53. The purchase of any Share shall not oblige the Company to purchase any other Share other than as may be required pursuant to applicable law and any other contractual obligations of the Company.

54. The holder of the Shares being purchased shall be bound to deliver up to the Company the certificate(s) (if any) thereof for cancellation and thereupon the Company shall pay to him the purchase or redemption monies or consideration in respect thereof.

GENERAL MEETINGS

55. All general meetings other than annual general meetings shall be called extraordinary general meetings.

56. (a) The Company may in each year hold a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such time and place as may be determined by the Directors.

(b) At these meetings the report of the Directors (if any) shall be presented.

57. (a) The Directors may call general meetings, and they shall on a Shareholders' requisition forthwith proceed to convene an extraordinary general meeting of the Company.

(b) A Shareholders' requisition is a requisition of Shareholders holding at the date of deposit of the requisition in aggregate not less than one-third of such of the issued Shares of the Company as at that date of the deposit carries the right of voting at general meetings of the Company.

(c) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Registered Office, and may consist of several documents in like form each signed by one or more requisitionists.

(d) If the Directors do not within 21 days from the date of the deposit of the requisition duly proceed to convene a general meeting to be held within a further 21 days, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of three months after the expiration of the said 21 days.

(e) A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

NOTICE OF GENERAL MEETINGS

58. At least 14 days' notice shall be given for any general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in the manner hereinafter mentioned or in such other manner if any as may be prescribed by the Company, provided that a general meeting of the Company shall, whether or not the notice specified in this Article has been given and whether or not the provisions of these Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:

(a) in the case of an annual general meeting by all the Shareholders (or their proxies) entitled to attend and vote thereat; and

(b) in the case of an extraordinary general meeting by a majority in number of the Shareholders (or their proxies) having a right to attend and vote at the meeting, being a majority together holding not less than ninety five per cent in par value of the Shares giving that right.

59. The accidental omission to give notice of a meeting to or the non-receipt of a notice of a meeting by any Shareholder shall not invalidate the proceedings at any meeting.

PROCEEDINGS AT GENERAL MEETINGS

60. No business shall be transacted at any general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business. The quorum required for a general meeting of Shareholders consists of at least one Shareholder, present in person or by proxy and entitled to vote, holding in aggregate not less than one-third of the voting power of the Shares in issue carrying a right to vote at such meeting.

61. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Shareholders, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Shareholder or Shareholders present and entitled to vote shall form a quorum.

62. If the Directors wish to make this facility available for a specific general meeting or all general meetings of the Company, participation in any general meeting of the Company may be by means of a telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.

63. The chairman, if any, of the Directors shall preside as chairman at every general meeting of the Company.

64. If there is no such chairman, or if at any general meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, any Director or Person nominated by the Directors shall preside as chairman, failing which the Shareholders present in person or by proxy shall choose any Person present to be chairman of that meeting.

65. The chairman may with the consent of any general meeting at which a quorum is present (and shall if so directed by the meeting) adjourn a meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting, or adjourned meeting, is adjourned for fourteen days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

66. The Directors may cancel or postpone any duly convened general meeting at any time prior to such meeting, except for general meetings requisitioned by the Shareholders in accordance with these Articles, for any reason or for no reason, upon notice in writing to Shareholders. A postponement may be for a stated period of any length or indefinitely as the Directors may determine.

67. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman, or by any three Shareholders entitled to vote at the meeting, or any one or more Shareholders holding at least one-tenth of the paid-up Shares given a right to vote at the meeting or one-tenth of the total voting rights entitled to vote at the meeting, present in person or by proxy, and unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

68. If a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

69. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

70. A poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.

VOTES OF SHAREHOLDERS

71. Subject to any rights and restrictions for the time being attached to any Share, on a show of hands every Shareholder present in person and every Person representing a Shareholder by proxy shall, at a general meeting of the Company, each have one vote and on a poll (i) every holder of Class A Ordinary Shares and every Person representing a holder of Class A Ordinary Shares by proxy shall have one vote for each Class A Ordinary Share of which such Person or the Person represented by proxy is the holder, and (ii) every holder of Class B Ordinary Shares and every Person representing a holder of Class B Ordinary Shares by proxy shall have ten (10) votes for each Class B Ordinary Share of which such Person or the Person represented by proxy is the holder.

72. In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register.

73. A Shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote in respect of Shares carrying the right to vote held by him, whether on a show of hands or on a poll, by his committee, or other Person in the nature of a committee appointed by that court, and any such committee or other Person, may vote in respect of such Shares by proxy.

74. No Shareholder shall be entitled to vote at any general meeting of the Company unless all calls, if any, or other sums presently payable by him in respect of Shares carrying the right to vote held by him have been paid.

75. On a poll, votes may be given either personally or by proxy.

76. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. A proxy need not be a Shareholder.

77. An instrument appointing a proxy may be in any usual or common form or such other form as the Directors may approve.

78. The instrument appointing a proxy shall be deposited at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company:

    (a) not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

    (b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

    (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director;

provided that the Directors may in the notice convening the meeting, or in an instrument of proxy sent out by the Company, direct that the instrument appointing a proxy may be deposited (no later than the time for holding the meeting or adjourned meeting) at the registered office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company. The Chairman may in any event at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited. An instrument of proxy that is not deposited in the manner permitted shall be invalid.

79. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

80. A resolution in writing signed by all the Shareholders for the time being entitled to receive notice of and to attend and vote at general meetings of the Company (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

81. Any corporation which is a Shareholder or a Director may by resolution of its directors or other governing body authorise such Person as it thinks fit to act as its representative at any meeting of the Company or of any meeting of holders of a Class or of the Directors or of a committee of Directors, and the Person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Shareholder or Director.

CLEARING HOUSES

82. If a clearing house (or its nominee) is a Member of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorise such person or persons as it thinks fit to act as its representative or representatives at any general meeting of the Company or at any general meeting of any class of Members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of Shares in respect of which each such person is so authorised. A person so authorised pursuant to this Article shall be entitled to exercise the same powers on behalf of the clearing house (or its nominee) which he represents as that clearing house (or its nominee) could exercise if it were an individual Member holding the number and Class of Shares specified in such authorisation.

DIRECTORS

83. (a) Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two Directors, the exact number of Directors to be determined from time to time by the Board of Directors. For so long as Shares or ADSs are listed on the Designated Stock Exchange, the Directors shall include such number of Independent Directors as applicable law, rules or regulations or the Designated Stock Exchange Rules require.

(b) The Board of Directors shall have a Chairman elected and appointed by a majority of the Directors then in office. The period for which the Chairman will hold office will also be determined by a majority of all of the Directors then in office. The Chairman shall preside as chairman at every meeting of the Board of Directors. To the extent the Chairman is not present at a meeting of the Board of Directors within fifteen minutes after the time appointed for holding the same, the attending Directors may choose one of their number to be the chairman of the meeting.

(c) The Company may by Ordinary Resolution appoint any person to be a Director.

(d) The Board may appoint any person as a Director, to fill a casual vacancy on the Board or as an addition to the existing Board, subject to the Company's compliance with director nomination procedures required under the Designated Stock Exchange Rules, as long as Shares or ADSs are listed on the Designated Stock Exchange.

84. A Director shall hold office until he is removed from office by Ordinary Resolution notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under such agreement).

85. The Board may, from time to time, and except as required by applicable law or the listing rules of the recognized stock exchange where the Company's securities are traded, adopt, institute, amend, modify or revoke the corporate governance policies or initiatives, which shall be intended to set forth the policies of the Company and the Board on various corporate governance related matters as the Board shall determine by resolution from time to time.

86. A Director shall not be required to hold any Shares in the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at general meetings.

87. The remuneration of the Directors may be determined by the Directors or by Ordinary Resolution.

88. The Directors shall be entitled to be paid their travelling, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of the Directors, or any committee of the Directors, or general meetings of the Company, or otherwise in connection with the business of the Company, or to receive such fixed allowance in respect thereof as may be determined by the Directors from time to time, or a combination partly of one such method and partly the other.

ALTERNATE DIRECTOR OR PROXY

89. Any Director may in writing appoint another Person to be his alternate and, save to the extent provided otherwise in the form of appointment, such alternate shall have authority to sign written resolutions on behalf of the appointing Director, but shall not be required to sign such written resolutions where they have been signed by the appointing director, and to act in such Director's place at any meeting of the Directors at which he is unable to be present. Every such alternate shall be entitled to attend and vote at meetings of the Directors as a Director when the Director appointing him is not personally present and where he is a Director to have a separate vote on behalf of the Director he is representing in addition to his own vote. A Director may at any time in writing revoke the appointment of an alternate appointed by him. Such alternate shall be deemed for all purposes to be a Director of the Company and shall not be deemed to be the agent of the Director appointing him. The remuneration of such alternate shall be payable out of the remuneration of the Director appointing him and the proportion thereof shall be agreed between them.

90. Any Director may appoint any Person, whether or not a Director, to be the proxy of that Director to attend and vote on his behalf, in accordance with instructions given by that Director, or in the absence of such instructions at the discretion of the proxy, at a meeting or meetings of the Directors which that Director is unable to attend personally. The instrument appointing the proxy shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be lodged with the chairman of the meeting of the Directors at which such proxy is to be used, or first used, prior to the commencement of the meeting.

POWERS AND DUTIES OF DIRECTORS

91. Subject to the Companies Law, these Articles and to any resolutions passed in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company.

92. Subject to these Articles, the Directors may from time to time appoint any natural person or corporation, whether or not a Director to hold such office in the Company as the Directors may think necessary for the administration of the Company, including but not limited to, the office of president, one or more vice-presidents, treasurer, assistant treasurer, manager or controller, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another), and with such powers and duties as the Directors may think fit. Any natural person or corporation so appointed by the Directors may be removed by the Directors.

93. No resolution passed by the Company in general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been passed.

94. The Directors may appoint any natural person or corporation to be a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as they think fit. Any Secretary or assistant Secretary so appointed by the Directors may be removed by the Directors or by the Company by Ordinary Resolution.

95. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

96. The Directors may from time to time and at any time by power of attorney (whether under Seal or under hand) or otherwise appoint any company, firm or Person or body of Persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys or authorised signatory (any such person being an “Attorney” or “Authorised Signatory”, respectively) of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of Persons dealing with any such Attorney or Authorised Signatory as the Directors may think fit, and may also authorise any such Attorney or Authorised Signatory to delegate all or any of the powers, authorities and discretion vested in him.

97. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the three next following Articles shall not limit the general powers conferred by this Article.

98. The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any natural person or corporation to be a member of such committees or local boards and may appoint any managers or agents of the Company and may fix the remuneration of any such natural person or corporation.

99. The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any natural person or corporation so appointed and may annul or vary any such delegation, but no Person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

100. Any such delegates as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.

BORROWING POWERS OF DIRECTORS

101. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof, to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.

THE SEAL

102. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixings of the Seal. The Seal shall be affixed in the presence of a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose and every Person as aforesaid shall sign every instrument to which the Seal is so affixed in their presence.

103. The Company may maintain a facsimile of the Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of such facsimile Seal and if given after may be in general form confirming a number of affixings of such facsimile Seal. The facsimile Seal shall be affixed in the presence of such Person or Persons as the Directors shall for this purpose appoint and such Person or Persons as aforesaid shall sign every instrument to which the facsimile Seal is so affixed in their presence and such affixing of the facsimile Seal and signing as aforesaid shall have the same meaning and effect as if the Seal had been affixed in the presence of and the instrument signed by a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose.

104. Notwithstanding the foregoing, a Secretary or any assistant Secretary shall have the authority to affix the Seal, or the facsimile Seal, to any instrument for the purposes of attesting authenticity of the matter contained therein but which does not create any obligation binding on the Company.

DISQUALIFICATION OF DIRECTORS

105. The office of Director shall be vacated, if the Director:

(a) becomes bankrupt or makes any arrangement or composition with his creditors;

(b) dies or is found to be or becomes of unsound mind;

(c) resigns his office by notice in writing to the Company;

(d) without special leave of absence from the Board, is absent from meetings of the Board for three consecutive meetings and the Board resolves that his office be vacated; or

(e) is removed from office pursuant to any other provision of these Articles.

PROCEEDINGS OF DIRECTORS

106. The Directors may meet together (either within or without the Cayman Islands) for the despatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit. Save as provided in Article 93, questions arising at any meeting shall be decided by a majority of votes. At any meeting of the Directors, each Director present in person or represented by his proxy or alternate shall be entitled to one vote. In case of an equality of votes the Chairman shall have a second or casting vote. A Director may, and a Secretary or assistant Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.

107. A Director may participate in any meeting of the Directors, or of any committee appointed by the Directors of which such Director is a member, by means of telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.

108. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed, the quorum shall be a majority of Directors then in office. A Director represented by proxy or by an alternate Director at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.

109. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors. A general notice given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract which may thereafter be made with that company or firm shall be deemed a sufficient declaration of interest in regard to any contract so made. A Director may vote in respect of any contract or proposed contract or arrangement notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of the Directors at which any such contract or proposed contract or arrangement shall come before the meeting for consideration.

110. A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established. A Director, notwithstanding his interest, may be counted in the quorum present at any meeting of the Directors whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged and he may vote on any such appointment or arrangement.

111. Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.

112. The Directors shall cause minutes to be made in books or loose-leaf folders provided for the purpose of recording:

(a) all appointments of officers made by the Directors;

(b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and

(c) all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors.

113. When the Chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held notwithstanding that all the Directors have not actually come together or that there may have been a technical defect in the proceedings.

114. A resolution in writing signed by all the Directors or all the members of a committee of Directors entitled to receive notice of a meeting of Directors or committee of Directors, as the case may be (an alternate Director, subject as provided otherwise in the terms of appointment of the alternate Director, being entitled to sign such a resolution on behalf of his appointer), shall be as valid and effectual as if it had been passed at a duly called and constituted meeting of Directors or committee of Directors, as the case may be. When signed a resolution may consist of several documents each signed by one or more of the Directors or his duly appointed alternate.

115. The continuing Directors may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number, or of summoning a general meeting of the Company, but for no other purpose.

116. The Directors may elect a chairman of their meetings and determine the period for which he is to hold office but if no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.

117. Subject to any regulations imposed on it by the Directors, a committee appointed by the Directors may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the committee members present may choose one of their number to be chairman of the meeting.

118. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to any regulations imposed on it by the Directors, questions arising at any meeting shall be determined by a majority of votes of the committee members present and in case of an equality of votes the chairman shall have a second or casting vote.

119. All acts done by any meeting of the Directors or of a committee of Directors, or by any Person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Person had been duly appointed and was qualified to be a Director.

PRESUMPTION OF ASSENT

120. A Director of the Company who is present at a meeting of the Board of Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the Minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the chairman or secretary of the meeting before the adjournment thereof or shall forward such dissent by registered post to such person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

DIVIDENDS

121. Subject to any rights and restrictions for the time being attached to any Shares, the Directors may from time to time declare dividends (including interim dividends) and other distributions on Shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor.

122. Subject to any rights and restrictions for the time being attached to any Shares, the Company by Ordinary Resolution may declare dividends, but no dividend shall exceed the amount recommended by the Directors.

123. The Directors may, before recommending or declaring any dividend, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, in the absolute discretion of the Directors be applicable for meeting contingencies, or for equalising dividends or for any other purpose to which those funds may be properly applied and pending such application may in the absolute discretion of the Directors, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.

124. Any dividend payable in cash to the holder of Shares may be paid in any manner determined by the Directors. If paid by cheque it will be sent by mail addressed to the holder at his address in the Register, or addressed to such person and at such addresses as the holder may direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such Shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company.

125. With the sanction of an Ordinary Resolution, the Directors may determine that a dividend shall be paid wholly or partly by the distribution of specific assets (which may consist of the shares or securities of any other company) and may settle all questions concerning such distribution. Without limiting the generality of the foregoing, the Directors may fix the value of such specific assets, may determine that cash payment shall be made to some Shareholders in lieu of specific assets and may vest any such specific assets in trustees on such terms as the Directors think fit.

126. Subject to any rights and restrictions for the time being attached to any Shares, all dividends shall be declared and paid according to the amounts paid up on the Shares, but if and for so long as nothing is paid up on any of the Shares dividends may be declared and paid according to the par value of the Shares. No amount paid on a Share in advance of calls shall, while carrying interest, be treated for the purposes of this Article as paid on the Share.

127. If several Persons are registered as joint holders of any Share, any of them may give effectual receipts for any dividend or other moneys payable on or in respect of the Share.

128. No dividend shall bear interest against the Company.

129. Any dividend unclaimed after a period of six years from the date of declaration of such dividend may be forfeited by the Board of Directors and, if so forfeited, shall revert to the Company.

ACCOUNTS, AUDIT AND ANNUAL RETURN AND DECLARATION

130. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Directors.

131. The books of account shall be kept at the Registered Office, or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.

132. The Directors may from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Shareholders not being Directors, and no Shareholder (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by Ordinary Resolution.

133. The accounts relating to the Company's affairs shall be audited in such manner and with such financial year end as may be determined from time to time by the Directors or failing any determination as aforesaid shall not be audited.

134. The Directors may appoint an Auditor of the Company who shall hold office until removed from office by a resolution of the Directors and may fix his or their remuneration.

135. Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.

136. Auditors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment, and at any time during their term of office, upon request of the Directors or any general meeting of the Members.

137. The Directors in each year shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Companies Law and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.

CAPITALISATION OF RESERVES

138. Subject to the Companies Law, the Directors may, with the authority of an Ordinary Resolution:

(a) resolve to capitalise an amount standing to the credit of reserves (including a Share Premium Account, capital redemption reserve and profit and loss account), whether or not available for distribution;

(b) appropriate the sum resolved to be capitalised to the Shareholders in proportion to the nominal amount of Shares (whether or not fully paid) held by them respectively and apply that sum on their behalf in or towards:

(i) paying up the amounts (if any) for the time being unpaid on Shares held by them respectively, or

(ii) paying up in full unissued Shares or debentures of a nominal amount equal to that sum,

and allot the Shares or debentures, credited as fully paid, to the Shareholders (or as they may direct) in those proportions, or partly in one way and partly in the other, but the Share Premium Account, the capital redemption reserve and profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued Shares to be allotted to Shareholders credited as fully paid;

(c) make any arrangements they think fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where Shares or debentures become distributable in fractions the Directors may deal with the fractions as they think fit;

(d) authorise a Person to enter (on behalf of all the Shareholders concerned) into an agreement with the Company providing for either:

(i) the allotment to the Shareholders respectively, credited as fully paid, of Shares or debentures to which they may be entitled on the capitalisation, or

(ii) the payment by the Company on behalf of the Shareholders (by the application of their respective proportions of the reserves resolved to be capitalised) of the amounts or part of the amounts remaining unpaid on their existing Shares,

and any such agreement made under this authority being effective and binding on all those Shareholders; and

(e) generally do all acts and things required to give effect to the resolution.

SHARE PREMIUM ACCOUNT

139. The Directors shall in accordance with the Companies Law establish a Share Premium Account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any Share.

140. There shall be debited to any Share Premium Account on the redemption or purchase of a Share the difference between the nominal value of such Share and the redemption or purchase price provided always that at the discretion of the Directors such sum may be paid out of the profits of the Company or, if permitted by the Companies Law, out of capital.

NOTICES

141. Except as otherwise provided in these Articles, any notice or document may be served by the Company or by the Person entitled to give notice to any Shareholder either personally, or by posting it airmail or air courier service in a prepaid letter addressed to such Shareholder at his address as appearing in the Register, or by electronic mail to any electronic mail address such Shareholder may have specified in writing for the purpose of such service of notices, or by facsimile or by placing it on the Company's Website should the Directors deem it appropriate provided that the Company has obtained the member's prior express positive confirmation in writing to receive notices in such manner. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands first in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.

142. Notices posted to addresses outside the Cayman Islands shall be forwarded by prepaid airmail.

143. Any Shareholder present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.

144. Any notice or other document, if served by:

(a) post, shall be deemed to have been served five days after the time when the letter containing the same is posted;

(b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;

(c) recognised courier service, shall be deemed to have been served 48 hours after the time when the letter containing the same is delivered to the courier service; or

(d) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail.

In proving service by post or courier service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service.

145. Any notice or document delivered or sent by post to or left at the registered address of any Shareholder in accordance with the terms of these Articles shall notwithstanding that such Shareholder be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Shareholder as sole or joint holder, unless his name shall at the time of the service of the notice or document, have been removed from the Register as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.

146. Notice of every general meeting of the Company shall be given to:

(a) all Shareholders holding Shares with the right to receive notice and who have supplied to the Company an address for the giving of notices to them; and

(b) every Person entitled to a Share in consequence of the death or bankruptcy of a Shareholder, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other Person shall be entitled to receive notices of general meetings.

INFORMATION

147. No Member shall be entitled to require discovery of any information in respect of any detail of the Company's trading or any information which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board would not be in the interests of the Members of the Company to communicate to the public.

148. The Board shall be entitled to release or disclose any information in its possession, custody or control regarding the Company or its affairs to any of its Members including, without limitation, information contained in the Register and transfer books of the Company.

INDEMNITY

149. Every Director (including for the purposes of this Article any alternate Director appointed pursuant to the provisions of these Articles), Secretary, assistant Secretary, or other officer for the time being and from time to time of the Company (but not including the Company's auditors) and the personal representatives of the same (each an "Indemnified Person") shall be indemnified and secured harmless against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such Indemnified Person, other than by reason of such Indemnified Person's own dishonesty, wilful default or fraud, in or about the conduct of the Company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such Indemnified Person in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere.

150. No Indemnified Person shall be liable:

(a) for the acts, receipts, neglects, defaults or omissions of any other Director or officer or agent of the Company; or

(b) for any loss on account of defect of title to any property of the Company; or

(c) on account of the insufficiency of any security in or upon which any money of the Company shall be invested; or

(d) for any loss incurred through any bank, broker or other similar Person; or

(e) for any loss occasioned by any negligence, default, breach of duty, breach of trust, error of judgement or oversight on such Indemnified Person's part; or

(f) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of such Indemnified Person's office or in relation thereto;

unless the same shall happen through such Indemnified Person's own dishonesty, wilful default or fraud.

FINANCIAL YEAR

151. Unless the Directors otherwise prescribe, the financial year of the Company shall end on the last day of December 31 in each year and shall begin on January 1 in each year.

NON-RECOGNITION OF TRUSTS

152. No Person shall be recognised by the Company as holding any Share upon any trust and the Company shall not, unless required by law, be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or (except only as otherwise provided by these Articles or as the Companies Law requires) any other right in respect of any Share except an absolute right to the entirety thereof in each Shareholder registered in the Register.

WINDING UP

153. If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Companies Law, divide amongst the Members in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for that purpose value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any asset upon which there is a liability.

154. If the Company shall be wound up, and the assets available for distribution amongst the Members shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the par value of the Shares held by them. If in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst the Members in proportion to the par value of the Shares held by them at the commencement of the winding up subject to a deduction from those Shares in respect of which there are monies due, of all monies payable to the Company for unpaid calls or otherwise. This Article is without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

AMENDMENT OF ARTICLES OF ASSOCIATION

155. Subject to the Companies Law, the Company may at any time and from time to time by Special Resolution alter or amend these Articles in whole or in part.

CLOSING OF REGISTER OR FIXING RECORD DATE

156. For the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at any meeting of Shareholders or any adjournment thereof, or those Shareholders that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Shareholder for any other purpose, the Directors may provide that the Register shall be closed for transfers for a stated period which shall not exceed in any case 40 days. If the Register shall be so closed for the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at a meeting of Shareholders the Register shall be so closed for at least ten days immediately preceding such meeting and the record date for such determination shall be the date of the closure of the Register.

157. In lieu of or apart from closing the Register, the Directors may fix in advance a date as the record date for any such determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of the Shareholders and for the purpose of determining those Shareholders that are entitled to receive payment of any dividend the Directors may, at or within 90 days prior to the date of declaration of such dividend, fix a subsequent date as the record date for such determination.

158. If the Register is not so closed and no record date is fixed for the determination of those Shareholders entitled to receive notice of, attend or vote at a meeting of Shareholders or those Shareholders that are entitled to receive payment of a dividend, the date on which notice of the meeting is posted or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Shareholders. When a determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of Shareholders has been made as provided in this Article, such determination shall apply to any adjournment thereof.

REGISTRATION BY WAY OF CONTINUATION

159. The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

DISCLOSURE

160. The Directors, or any service providers (including the officers, the Secretary and the registered office agent of the Company) specifically authorised by the Directors, shall be entitled to disclose to any regulatory or judicial authority any information regarding the affairs of the Company including without limitation information contained in the Register and books of the Company.

Exhibit 4.2

21VIANET GROUP, INC.

Number

Class A Ordinary Share(s)
- [no. of shares] -

Incorporated under the laws of the Cayman Islands

Share capital is **US$7,700** divided into
(i) **[no. of shares] Class A Ordinary Shares** of a par value of **US$0.0001** each and
(ii) **[no. of shares] Class B Ordinary Shares** of a par value of **US$0.0001** each

THIS IS TO CERTIFY THAT **[name of shareholder]** is the registered holder of **[no. of shares]** Class A Ordinary Share(s) in the above-named Company subject to the Memorandum and Articles of Association thereof.

EXECUTED on behalf of the said Company on the day of 2011 by:

DIRECTOR _____

Exhibit 4.4

EXECUTION VERSION

Dated this 14th day of January, 2011

21VIANET GROUP, INC.

AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT

This AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT (this "Agreement") dated this 14th day of January, 2011 is made

BY AND AMONG

(A) **21VIANET GROUP, INC.**, a company incorporated under the laws of the Cayman Islands (the "**Company**") whose registered office is at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104 Cayman Islands;

(B) The entities whose names are set out in the column designated "**Existing Shareholders**" under Part 1 of Exhibit A (each an "**Existing Shareholder**" and collectively the "**Existing Shareholders**");

(C) The persons whose names are set out in the column designated "**Founders**" under Part 2 of Exhibit A (each a "**Founder**" and collectively the "**Founders**");

(D) The entities named in Part I of Exhibit B as the holders of Series A Preferred Shares (collectively, the "**Series A Preferred Shareholders**");

(E) The entities named in Part II of Exhibit B as the holders of Series B Preferred Shares (collectively, the "**Series B Preferred Shareholders**"); and

(F) The entities named in Part III of Exhibit B as the holders of Series C Preferred Shares (collectively, the "**Series C Preferred Shareholders**").

The Series A Preferred Shareholders, Series B Preferred Shareholders and Series C Preferred Shareholders are collectively referred to herein as the "**Preferred Shareholders**" and individually as a "**Preferred Shareholder**").

WITNESSETH

WHEREAS the Company was formerly a wholly-owned subsidiary of aBitCool Inc., a company incorporated under the laws of the Cayman Islands ("**aBitCool**");

WHEREAS the Company has effected a restructuring (the "**Restructuring**") whereby it has (i) adopted the Amended and Restated Memorandum and Articles of Association, (ii) repurchased all its outstanding shares held by aBitCool and (iii) issued Ordinary Shares and Preferred Shares to the shareholders of aBitCool in the same proportion, class and series as their respective shareholdings in aBitCool;

WHEREAS, in light of the Restructuring, the Company, the Existing Shareholders, the Founders, the Series A Preferred Shareholders and the Series B Preferred Shareholders have entered into a Shareholders' Agreement on October 31, 2010 (the "**Existing Shareholders' Agreement**") to regulate their rights and obligations in respect of the Company;

WHEREAS, the Company and the Series C Preferred Shareholders entered into a Series C Preferred Shares Subscription Agreement on December 31, 2010, pursuant to which the Series C Preferred Shareholders agree to purchase from the Company 3,188,291 Series C1 Preferred Shares; and

WHEREAS, in light of the Series C Preferred Shareholders' purchase for, and the Company's issuance of the abovementioned Series C Preferred Shares, the parties hereto wish to amend and restate the Existing Shareholders' Agreement as set forth herein as regards to their rights and obligations in respect of the Company.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the parties agree as follows:

1. DEFINITIONS

(a) In this Agreement, including the Recitals and Exhibits (which form part of this Agreement), the following expressions, except where the context otherwise requires, shall have the following meanings:

"**aBitCool Shareholders' Agreement**"

means the Fourth Amended and Restated Shareholders' Agreement, dated April 1, 2008, by and among aBitCool and the other parties listed therein, as amended and restated from time to time.

"**Affiliate**"

means in respect of any specified person or entity, a person who directly or indirectly Controls, is Controlled by or under Common control with such specified person or entity.

"**Articles**"

means the Second Amended and Restated Memorandum and Articles of Association of the Company, as the same may be further amended from time to time after the date hereof.

"**Board**" **or** "**Board of Directors**"

means the board of Directors of the Company.

"**Control**"

means, in relation to any person at any time, the power (whether directly or indirectly and whether by ownership of share capital, possession of voting power, contract or otherwise) to appoint the majority of the members of the governing body or management, or otherwise to control the affairs and policies of that other person.

(The terms "**Controlling**" and "**Controlled**" having meanings correlative to the foregoing.)

"**Directors**"

means the directors of the Company.

"**Equity Securities**"

means any securities of the Company now or hereafter owned or held by a Holder, or any securities evidencing an ownership interest in the Company, or any securities convertible into or exercisable for any shares of the foregoing, or any agreement or commitment to issue any of the foregoing.

"**First Subscription Agreement**"

has the meaning set forth in the aBitCool Shareholders' Agreement.

"**Group**"

means the Company and all of its Subsidiaries; and "**Group Company**" means any one of them.

"**Holders**"

means the Existing Shareholders, the Preferred Shareholders and any other person(s) who have acquired Equity Securities from any of such persons or their transferees or assignees or from the Company in accordance with the provisions of this Agreement and who have executed and delivered a deed of adherence to be bound by this Agreement.

"**Hong Kong**"

means the Hong Kong Special Administrative Region of the PRC.

"**Ordinary Shares**"

means the ordinary shares of US$0.0001 par value each in the capital of the Company, having the terms and conditions set forth in the Articles.

"**PRC**"

means the People's Republic of China.

"**Preferred Shares**"

means the Series A1 Preferred Shares, Series A2 Preferred Shares, Series A3 Preferred Shares, Series B1 Preferred Shares, Series B2 Preferred Shares and Series C Preferred Shares.

"**Qualified IPO**"

mean an underwritten initial public offering of Ordinary Shares that has been registered under the relevant Securities Act and on a stock exchange that is to the satisfaction of the Board of Directors with post money valuation of no less than US$ 400 million and for gross proceeds of at least US$80 million (including primary and secondary shares if any).

"**Securities Act**"

means the United States Securities Act of 1933, as amended, or, where reference to the term is in connection with a public offering the term shall include comparable securities laws and regulations of any non-U.S. jurisdiction.

"**Series A Preferred Shares**"

means the Series A1 Preferred Shares, the Series A2 Preferred Shares, and the Series A3 Preferred Shares.

"**Series A1 Preferred Shares**"

means the Series A1 preferred shares of US$0.0001 par value each in the capital of the Company having the terms and conditions set forth in the Articles.

"**Series A2 Preferred Shares**"

means the Series A2 preferred shares of US$0.0001 par value each in the capital of the Company having the terms and conditions set forth in the Articles.

"**Series A3 Preferred Shares**"

means the Series A3 preferred shares of US$0.0001 par value each in the capital of the Company having the terms and conditions set forth in the Articles.

"**Series B Preferred Shares**"

means the Series B1 Preferred Shares and the Series B2 Preferred Shares.

"**Series B1 Preferred Shares**"

means the redeemable Series B1 preferred shares of US$0.0001 par value each in the capital of the Company having the terms and conditions set forth in the Articles.

"**Series B2 Preferred Shares**"

means the redeemable Series B2 preferred shares of US$0.0001 par value each in the capital of the Company having the terms and conditions set forth in the Articles.

"**Series C Preferred Shares**"

means the Series C1 Preferred Shares and the Series C2 Preferred Shares.

"**Series C1 Preferred Shares**"

means the redeemable Series C1 preferred shares of US$0.0001 par value each in the capital of the Company having the terms and conditions set forth in the Articles.

"**Series C2 Preferred Shares**"

means the redeemable Series C2 preferred shares of US$0.0001 par value each in the capital of the Company having the terms and conditions set forth in the Articles.

"**Subscription Agreements**"

has the meaning set forth in the aBitCool Shareholders' Agreement.

"**Subsidiary**"

includes any and all entities the financial results of which should be consolidated into the Company's financial results under the generally accepted accounting principles in the United States, including the Company's direct or indirect subsidiaries and affiliated entities.

"**Trade Sale**"

means (a) the sale, lease or other disposition (in one or a series of related transactions) of all or substantially all of the Company's assets to one entity or a group of entities acting in concert, including a sale (or multiple related sales) of one or more Subsidiaries (whether by way of merger, consolidation, recapitalization, reclassification, reorganization or sale of all or substantially all of the assets or securities) which constitute all or substantially all of the consolidated assets or business of the Company, (b) the sale, exchange or transfer, in one or a series of related transactions, of a majority of the outstanding share capital of the Company to one entity or a group of entities acting in concert, under circumstances in which the holders of a majority in voting power of the outstanding share capital of the Company immediately prior to such transaction beneficially own less than a majority in voting power of the outstanding share capital of the Company or the acquiring entity immediately following such transaction, or (c) a merger, consolidation, amalgamation, recapitalization, reclassification, reorganization or similar business combination transaction involving the Company under circumstances in which holders of a majority in voting power of the share capital of the Company immediately prior to such transaction beneficially own less than a majority in voting power of the outstanding share capital of the Company, or the surviving or resulting corporation or acquirer, as the case may be, immediately following such transaction.

"**Transfer**"

shall include any sale, assignment, encumbrance, hypothecation, pledge, conveyance in trust, gift, transfer by bequest, devise or descent, or other transfer or disposition of any kind, including, but not limited to, transfers pursuant to divorce or legal separation, transfers to receivers, levying creditors, trustees or receivers in bankruptcy proceedings or general assignees for the benefit of creditors, whether voluntarily, involuntarily or by operation of law, directly or indirectly, of any of the Equity Securities.

"**United States**" or "**U.S.**"

means the United States of America.

"**US Dollar**" or "**US$**"

means the lawful currency of the United States.

(b) In this Agreement, save where the context otherwise requires:

(i) words in the singular shall include the plural, and vice versa; and reference to one gender shall include all genders;

(ii) a reference to a person shall include a reference to a firm, a corporation, an unincorporated association or to a person's executors or administrators;

(iii) a reference to a section, sub-section and Exhibit shall be a reference to a section, sub-section and Exhibit (as the case may be) of or to this Agreement;

(iv) references to any legal term for any action, remedy, proceeding, legal document, legal status, court, official or any legal concept or thing shall in respect of any jurisdiction other than Hong Kong be deemed to include what most nearly approximates in that jurisdiction to the Hong Kong legal term;

(v) a reference to a "majority" of the Preferred Shareholders means (i) if there are more than two Preferred Shareholders, the Preferred Shareholder(s) holding more than 50% of the aggregate nominal value of all Equity Securities held by all the Preferred Shareholders; and (ii) if there are not more than two Investors, all the Preferred Shareholder(s); and

(vi) a reference to "deed of adherence" means the deed in the form or substantially in the form as set out in Exhibit D.

2. RESTRICTIONS ON TRANSFERS OF SHARES

The Holders will not Transfer all, or any part of, or any interest in, Equity Securities except as set forth in this Agreement. Any Transfer of Equity Securities not made in conformance with this Agreement shall be null and void, shall not be recorded on the books of the Company and shall not be recognized by the Company.

3. RIGHTS OF REFUSAL

(a) ***Transfer Notice***

If at any time a Holder (the "**Selling Holder**") proposes to Transfer Equity Securities and has received a firm offer from prospective transferee(s), the Selling Holder shall give the Company and all the other Holders ("**Entitled Holders**") written notice of the Selling Holder's intention to make the Transfer (the "**Transfer Notice**"). The Transfer Notice shall include (i) a description of the Equity Securities to be transferred (the "**Offered Shares**"), (ii) the identity of the prospective transferee(s) and (iii) the consideration and the material terms and conditions upon which the proposed Transfer is to be made. The Transfer Notice shall certify that the Selling Holder has received a firm offer from the prospective transferee(s) and in good faith believes a binding agreement for the Transfer is obtainable on the terms set forth in the Transfer Notice. The Transfer Notice shall also include a copy of any written proposal, term sheet or letter of intent or other agreement relating to the proposed Transfer.

(b) ***Holders' Right of First Refusal***

(i) Each Entitled Holder shall have an option for a period of fourteen (14) days from receipt of the Transfer Notice to elect to purchase the Offered Shares at the same price and subject to the same material terms and conditions as described in the Transfer Notice. Each Entitled Holder may exercise such purchase option and, thereby, purchase all or any portion of the Offered Shares by notifying the Selling Holder in writing before expiration of such fourteen (14) day period as to the number of such shares which such Entitled Holder (a "**Participating Holder**") wishes to purchase. To the extent one or more Entitled Holders exercise such purchase option, the number of Offered Shares that such Entitled Holder may purchase shall be correspondingly reduced to such Entitled Holder's pro rata share of the Offered Shares. Each Entitled Holder's "**pro rata share**" of the Offered Shares shall be a fraction of the Offered Shares, of which the number of Ordinary Shares (including Ordinary Shares issuable upon conversion of Preferred Shares) owned by such Entitled Holder on the date of the Transfer Notice shall be the numerator and the total number of Ordinary Shares (including Ordinary Shares issuable upon conversion of Preferred Shares) held by all Entitled Holders on the date of the Transfer Notice shall be the denominator.

(ii) In the event any Entitled Holder elects not to purchase its pro rata share of the Offered Shares available pursuant to its rights under Section 3(b)(i) within the time period set forth therein, then the Selling Holder shall promptly give written notice to each of the Participating Holders (the "**Overallotment Notice**"), which shall set forth the number of Offered Shares not purchased by the other Entitled Holders, and shall offer the Participating Holders the right to acquire the unsubscribed shares. Each Participating Holder shall have seven (7) days after receipt of the Overallotment Notice to deliver a written notice to the Selling Holder of its election to purchase its pro rata share of the unsubscribed shares on the same terms and conditions as set forth in the Transfer Notice. For the purposes of this Section 3(b)(ii), the denominator described in subsection (i) of this Section 3(b) shall be the total number of Ordinary Shares (including Ordinary Shares issuable upon conversion of the Preferred Shares) owned by all Participating Holders on the date of the Transfer Notice.

(iii) Each Participating Holder which is a venture capital fund shall be entitled to apportion the shares to be purchased among its partners, members, Affiliates and related parties (including other venture capital funds affiliated with such fund), provided that such Participating Holder notifies the Selling Holder of such allocation.

(iv) The Participating Holders shall effect the purchase of the Offered Shares with payment by check or wire transfer, against delivery of the Offered Shares, to be purchased at a place agreed upon between the parties and at the time of the scheduled closing therefor, which shall be no later than forty five (45) days after receipt by the Entitled Holders of the Transfer Notice, unless the Transfer Notice contemplated a later closing with the prospective third-party transferee(s) or unless the value of the purchase price has not yet been established pursuant to Section 3(e).

(c) ***Additional Transfer Notice***

Subject to the Entitled Holders' rights set forth in Section 3(b), if at any time a Selling Holder proposes a Transfer, then, after the Entitled Holders have declined to purchase all or any portion of the Offered Shares, the Selling Holder shall give the Company an "**Additional Transfer Notice**" which shall include all of the information and certifications required in a Transfer Notice and shall additionally identify the Offered Shares which the Entitled Holders have declined to purchase (the "**Remaining Shares**").

(d) ***Company's Right of First Refusal***

(i) The Company shall have an option, subject to compliance of applicable law for a period of fourteen (14) days from the Company's receipt of the Additional Transfer Notice from the Selling Holder to elect to purchase all or any portion of the Remaining Shares subject to the same material terms and conditions as described in the Additional Transfer Notice, by notifying the Selling Holder in writing, before expiration of the fourteen (14) day period as to the number of such shares which the Company wishes to purchase.

(ii) If the Company gives the Selling Holder notice that it desires to purchase such shares, then payment for the Remaining Shares shall be by check or wire transfer, against delivery of the Remaining Shares to be purchased, at a place agreed upon between the parties and at the time of the scheduled closing therefor, which shall be no later than forty five (45) days after receipt by the Company of the Additional Transfer Notice, unless the Additional Transfer Notice contemplated a later closing with the prospective third-party transferee(s) or unless the value of the purchase price has not yet been established pursuant to Section 3(e).

(e) ***Valuation of Property***

Should the purchase price specified in the Transfer Notice or Additional Transfer Notice be payable in property other than cash or evidences of indebtedness, the Participating Holders (or the Company, as the case may be) shall have the right to pay the purchase price in the form of cash equal in amount to the value of such property. If the Selling Holder and the Participating Holders (or the Company, as the case may be) cannot agree on such cash value within ten (10) days after the Participating Holders' receipt of the Transfer Notice (or the Company's receipt of the Additional Transfer Notice), the valuation shall be made by an appraiser of recognized standing selected by the Selling Holder and the Participating Holders (or the Company, as the case may be) or, if they cannot agree on an appraiser within twenty (20) days after the Participating Holders' receipt of the Transfer Notice (or the Company's receipt of the Additional Transfer Notice), each shall select an appraiser of recognized standing and the two appraisers shall designate a third appraiser of recognized standing, whose appraisal shall be determinative of such value. The cost of such appraisal shall be shared equally by the Selling Holder and the Participating Holders (and/or the Company, as the case may be), with that portion of the cost borne by the Participating Holders (and/or the Company, as the case may be) borne pro rata by each based on the number of shares such parties were interested in purchasing pursuant to this Section 3. If the time for the closing of the Participating Holders' purchase or the Company's purchase has expired but for the determination of the value of the purchase price offered by the prospective transferee(s), then such closing shall be held on or prior to the third business day after such valuation shall have been made pursuant to this subsection.

4. RIGHTS OF CO-SALE

(a) To the extent the Company and the Entitled Holders do not exercise their respective rights of refusal as to all of the Offered Shares pursuant to Section 3, then each holder of any Preferred Share (a "**Co-Selling Holder**" for purposes of this Section 4) that notifies the Selling Holder in writing within thirty (30) days after receipt of the Transfer Notice referred to in Section 3(a), shall have the right to participate in such sale of Equity Securities to the prospective transferee identified in the Transfer Notice and on the same terms and conditions as specified in such Transfer Notice. Such Co-Selling Holder's notice to the Selling Holder shall indicate the number of shares of Equity Securities the Co-Selling Holder wishes to sell under such Co-Selling Holder's right to participate. This right of co-sale shall not apply with respect to Offered Shares sold or to be sold to Participating Holders and/or the Company pursuant to Section 3.

(b) Each Co-Selling Holder may sell all or any part of that number of shares of Equity Securities equal to the product obtained by multiplying (i) the aggregate number of shares of Equity Securities covered by the Transfer Notice and not sold pursuant to Section 3 by (ii) a fraction, the numerator of which is the number of Ordinary Shares (including Ordinary Shares issuable upon conversion of the Preferred Shares) owned by the Co-Selling Holder on the date of the Transfer Notice and the denominator of which is the total number of Ordinary Shares (including Ordinary Shares issuable upon conversion of the Preferred Shares) owned by the Selling Holder and all of the Co-Selling Holders on the date of the Transfer Notice, up to a maximum number equal to the number of Offered Shares indicated in the Transfer Notice under Section 3 minus the number of shares of Equity Securities to be purchased by the Company and the other Participating Holders pursuant to Section 3.

(c) Each Co-Selling Holder shall effect its participation in the sale by promptly delivering to the Selling Holder for transfer to the prospective transferee one or more share certificates together with the duly executed instrument of transfer thereof), which represent:

(i) the type and number of shares of Equity Securities which such Co-Selling Holder elects to sell; or

(ii) that number of shares of Equity Securities that are at such time convertible into the number of Ordinary Shares which such Co-Selling Holder elects to sell; *provided, however*, that, in the case of Preferred Shares, if the prospective third-party transferee objects to the delivery of Preferred Shares in lieu of Ordinary Shares, such Co-Selling Holder shall convert such Preferred Shares into Ordinary Shares and deliver Ordinary Shares as provided in this subsection (c). The Company agrees to make any such conversion concurrent with the actual transfer of such shares to the transferee and contingent on such transfer.

(d) The share certificate or certificates (together with the duly executed instrument of transfer thereof) that the Co-Selling Holder delivers to the Selling Holder pursuant to subsection (c) above shall be transferred to the prospective transferee in consummation of the sale of the Equity Securities pursuant to the terms and conditions specified in the Transfer Notice, and the Selling Holder shall concurrently therewith remit to such Co-Selling Holder that portion of the sale proceeds to which such Co-Selling Holder is entitled by reason of its participation in such sale. To the extent that any prospective transferee or transferees prohibits such assignment or otherwise refuses to purchase shares or other securities from a Co-Selling Holder exercising its rights of co-sale hereunder, the Selling Holder shall not sell to such prospective transferee or transferees any Equity Securities unless and until, simultaneously with such sale, the Selling Holder shall purchase such shares or other securities from such Co-Selling Holder for the same consideration and on the same terms and conditions as the proposed transfer described in the Transfer Notice.

5. RIGHTS AS A HOLDER

(a) Any Transfer between Holders (or between a Holder and the Company, as the case may be) pursuant to this Agreement shall be effected by the transferor selling as beneficial owner of the relevant Equity Securities free and clear of all liens, charges and encumbrances, and together with all rights attaching thereto.

(b) If the Company or any Participating Holder exercises its right of refusal to purchase the Offered Shares, then, upon the date that the notice of such exercise by the Company or any Participating Holder is deemed delivered to the Selling Holder, the Selling Holder will have the right to receive payment for the Offered Shares from the Company or such Participating Holder, as the case may be, in accordance with the terms of this Agreement, and the Selling Holder will forthwith cause all certificate(s) evidencing such Offered Shares (together with the duly executed instrument of transfer thereof) to be surrendered for Transfer to the Company or such Participating Holder, as the case may be.

6. NON-EXERCISE OF RIGHTS

(a) To the extent that the Company and the Entitled Holders have not exercised their rights to purchase the Offered Shares within the time periods specified in Section 3 and the holder(s) of Preferred Shares has not exercised its rights to participate in the sale of the Equity Securities within the time periods specified in Section 4, the Selling Holder shall have a period of thirty (30) days from the expiration of such rights in which to sell the Remaining Shares upon terms and conditions (including the purchase price) no more favorable than those specified in the Transfer Notice to the third-party transferee(s) identified in the Transfer Notice. In the event the Selling Holder does not consummate the sale or disposition of the Remaining Shares within the thirty (30) day period from the expiration of these rights, the Company and the Entitled Holders' refusal rights and the co-sale rights of the Holder(s) of Preferred Shares shall continue to be applicable to any subsequent disposition of the Offered Shares or the Remaining Shares by the Selling Holder until such right lapses in accordance with the terms of this Agreement. Furthermore, the exercise or non-exercise of the rights of the Company and the Entitled Holders under this Agreement to purchase Equity Securities from the Selling Holder, or the exercise or non-exercise of the rights of the holder(s) of Preferred Shares to participate in sales of Equity Securities by the Selling Holder, shall not adversely affect their rights to make subsequent purchases from the Selling Holder of Equity Securities or subsequently participate in sales of Equity Securities by the Selling Holder.

(b) Any third-party transferee (if not already bound by the provisions of this Agreement) acquiring Equity Securities from any Holder pursuant to the provision of this Agreement (including Section 9) shall execute and deliver a deed of adherence whereupon such transferee shall be bound by and shall be entitled to the benefit of this Agreement as if it were an original party and "Holder" and (i) in the event of Ordinary Shares being acquired from an Existing Shareholder, "Existing Shareholder" hereunder or (ii) in the event of Preferred Shares being acquired from a Preferred Shareholder "Preferred Shareholder" hereunder.

7. PROHIBITED TRANSFERS

(a) In the event the Selling Holder should sell any Equity Securities in contravention of the co-sale rights of the Co-Selling Holders under Section 4 (a "**Prohibited Transfer**"), the Co-Selling Holders, in addition to such other remedies as may be available at law, in equity or hereunder, shall have the right provided in Section 7(b) below, and the Selling Holder shall be bound by the applicable provisions of such right.

(b) In the event of a Prohibited Transfer, a Co-Selling Holder shall have the right to sell to the Selling Holder the type and number of shares of Equity Securities equal to the number of shares such Co-Selling Holder would have been entitled to transfer to the third-party transferee(s) under Section 4 hereof had the Prohibited Transfer been effected pursuant to and in compliance with the terms hereof. Such sale shall be made on the following terms and conditions:

(i) The price per share at which the shares are to be sold to the Selling Holder shall be equal to the price per share paid by the third-party transferee(s) to the Selling Holder in the Prohibited Transfer. The Selling Holder shall also reimburse such Co-Selling Holder for any and all fees and expense, including legal fees and expenses, incurred pursuant to the exercise or the attempted exercise of such Co-Selling Holder's rights under Section 4.

(ii) Within ninety (90) days after the later of the dates on which such Holder (A) received notice of the Prohibited Transfer or (B) otherwise became aware of the Prohibited Transfer, each Co-Selling Holder shall, if exercising the option created hereby, deliver to the Selling Holder the certificate or certificates representing shares to be sold together with the duly executed instrument of transfer thereof.

(iii) The Selling Holder shall, upon receipt of the certificate or certificates for the shares to be sold by such Co-Selling Holder together with the duly executed instrument of transfer thereof, pursuant to this Section 7, pay the aggregate purchase price therefor and the amount of reimbursable fees and expenses, as specified in subsection (b)(i) above, in cash or by other means acceptable to such Co-Selling Holder.

(iv) Notwithstanding the foregoing, any attempt by the Selling Holder to Transfer Equity Securities in violation of Section 4 hereof shall be void and the Company agrees it will not effect such a Transfer nor will it treat any alleged transferee(s) as the Holder of such shares without the written consent of the (i) the Holder(s) of not less than 51% of all outstanding Series A Preferred Shares; (ii) Holder(s) of not less than 51% of all outstanding Series B Preferred Shares; and (iii) Holder(s) of not less than 51% of all outstanding Series C Preferred Shares.

8. LIMITATIONS TO RIGHTS OF REFUSAL AND CO-SALE

Notwithstanding the provisions of Sections 2, 3 and 4 of this Agreement, Equity Securities of a Holder may be Transferred:

(a) by a Holder of Preferred Shares that is (i) a partnership transferring to its partners or former partners in accordance with partnership interests; (ii) a corporation transferring to its wholly-owned subsidiary or its parent corporation that owns all of its share capital; (iii) a limited liability company transferring to its members or former members in accordance with their interest in it; (iv) an individual transferring to his/her family member or trust for the benefit of himself/herself; or (v) an investment fund to its Affiliates fund; provided that in each case the transferee will agree in writing to be subject to the terms of this Agreement to the same extent as if it were the original holder of such Preferred Shares; or

(b) with the consent in writing of the Company and the Holders holding not less than 75% of the Ordinary Shares (including Ordinary Shares issuable upon conversion of the Preferred Shares) outstanding; provided, however, that such written consent must include the consent of: (i) the Holder(s) of not less than 51% of all outstanding Series A Preferred Shares; (ii) Holder(s) of not less than 51% of all outstanding Series B Preferred Shares; and (iii) Holder(s) of not less than 51% of all outstanding Series C Preferred Shares.

9. RESTRICTION ON FOUNDERS' AND EXISTING SHAREHOLDERS' RIGHTS TO TRANSFER

Notwithstanding anything to the contrary herein contained or in the Articles:

(a) no Founder shall Transfer his direct or indirect shares or interest (if any) in any Existing Shareholder (irrespective of whether such shares or interest are held by him as at the date hereof or to be acquired by him in future);

(b) no Existing Shareholder shall Transfer any of its Equity Securities in the Company; and

(c) without prejudice to sub-paragraph (b) of this Section 9, no Existing Shareholder shall Transfer any of its Equity Securities to any competitor of any Group Company;

without the prior written consent from (i) the Holder(s) of not less than 51% of all outstanding Series A Preferred Shares; (ii) Holder(s) of not less than 51% of all outstanding Series B Preferred Shares; and (iii) Holder(s) of not less than 51% of all outstanding Series C Preferred Shares. Subject to such prior written consent, any Transfer by any of the Existing Shareholders of any of its Equity Securities in the Company will still be subject to the right of first refusal under Section 3 and the right of co-sale under Section 4 of this Agreement unless such Transfer is to its Affiliate or its shareholder who is not a competitor of any Group Company.

10. RIGHT OF THE COMPANY TO ACQUIRE SHARES FROM EXISTING SHAREHOLDER

If any Founder terminates his employment with the Group, the Company shall have an option to purchase, and require the Existing Shareholder owned or controlled by such Founder (including Fast Horse Technology Limited) to Transfer any or all of its Equity Securities to the Company at the cost of such securities to such Existing Shareholder.

11. DRAG ALONG RIGHTS

Subject to the written approval from (i) Holder(s) of not less than 51% of all outstanding Series C Preferred Shares; and (ii) Holder(s) of not less than 51% of all outstanding Preferred Shares (voting as a single class), in the event of the Company receiving a bona fide offer to purchase all or substantially all of the assets of the Group or all or substantially all of the outstanding shares of the Company (a "**Drag Along Transaction**"), each Holder hereby agrees to (i) execute all necessary agreements and take all reasonable actions as may be reasonably required in connection with the Drag Along Transaction or the consummation thereof, (ii) sell any shares held by such Holder in the Drag Along Transaction, and (iii) not exercise any dissenter's rights of appraisal that such Holder may otherwise be entitled to with respect to such Drag Along Transaction.

12. RIGHTS OF FIRST OFFER

Subject to the terms and conditions specified in this Section 12, each Holder shall have a right of first offer to purchase its Pro Rata Share (as hereinafter defined) with respect to future sales or issuances by the Company of its New Shares (as hereinafter defined). In the case of a holder of Preferred Shares, it shall be entitled to apportion the right of first offer hereby granted to it among itself and its partners and Affiliates in such proportions as it deems appropriate. For purposes of this Section 12 only, "**Pro Rata Share**" shall mean the ratio of (x) the number of Ordinary Shares (including Ordinary Shares issuable upon conversion of Preferred Shares or upon the exercise of all outstanding options and warrants (if any)) then owned by such Holder to (y) the total number of Ordinary Shares (including Ordinary Shares issuable upon conversion of Preferred Shares or upon the exercise of all outstanding options and warrants (if any)) then owned by all Holders as calculated immediately prior to the issuance of the New Shares.

Each time the Company proposes to offer any shares of, or securities convertible into or exchangeable or exercisable for any shares of, any class of its share capital ("**New Shares**"), the Company shall first make an offering of such New Shares to all the Holders in accordance with the following provisions.

(a) The Company shall deliver a notice in accordance with Section 20(c) ("**Offer Notice**") to each Holder stating (i) its bona fide intention to offer such New Shares, (ii) the number of such New Shares to be offered, and (iii) the price and terms upon which it proposes to offer such New Shares.

(b) By written notification received by the Company, within twenty (20) calendar days after receipt of the Offer Notice, a Holder may elect to purchase, at the price and on the terms specified in the Offer Notice, up to such Holder's Pro Rata Share. If a Holder elects not to exercise its right to purchase such New Shares (the "**Unsubscribed Shares**") within such 20-day period, the Company shall promptly inform in writing those Holders who elect to exercise their rights to purchase and such Holders will have an additional seven (7) days to exercise an over allotment right to purchase the remaining Unsubscribed Shares, according to their Pro Rata Share.

(c) If all New Shares referred to in the Offer Notice that the Holders are entitled to purchase pursuant to this Section 12 are not elected to be purchased as provided therein, the Company may, during the 60-day period following the expiration of the period provided in Section 12(b), offer the Unsubscribed Shares that were not purchased, either directly or indirectly or by virtue of an exercise of the over allotment right the Holders have pursuant to this Section 12 to any person or persons at a price not less than, and upon terms no more favorable to the offeree than those specified in the Offer Notice. If the Company does not enter into an agreement for the sale of the New Shares within such period, or if such agreement is not consummated within ninety (90) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Shares shall not be offered unless first reoffered to all the Holders in accordance herewith.

(d) Save with the prior written consent of (i) the Holder(s) of not less than 51% of all outstanding Series A Preferred Shares; (ii) Holder(s) of not less than 51% of all outstanding Series B Preferred Shares; and (iii) Holder(s) of not less than 51% of all outstanding Series C Preferred Shares, any person or persons who purchased the Unsubscribed Shares pursuant to Section 12(c) (if not already bound by the provisions of this Agreement) shall execute and deliver a deed of adherence whereupon such person or persons shall be bound by and shall be entitled to the benefit of this Agreement as if it were an original party and Holder hereunder.

(e) The right of first offer in this Section 12 shall not be applicable to:

(i) Ordinary Shares issued or issuable to officers, directors and employees of, or consultants to, any Group Company, pursuant to the Incentive Scheme or any other share grants, option plans, purchase plans or other employee share incentive programs or arrangements approved in accordance with the provisions of this Agreement;

(ii) Ordinary Shares issued upon the exercise or conversion of options or convertible securities of the Company outstanding as of the date of this Agreement;

(iii) Ordinary Shares issued or issuable as a dividend or distribution on the Ordinary Shares or Preferred Shares or pursuant to any event for which adjustment is made pursuant to the Company's Articles;

(iv) Ordinary Shares issued or issuable upon conversion of the Preferred Shares;

(v) Ordinary Shares issued or issuable pursuant to the acquisition of another corporation by the Company by merger, purchase of substantially all of the assets, other reorganization or a joint venture agreement approved by the Board;

(vi) Ordinary Shares issued or issuable upon the Qualified IPO; and

(vii) Ordinary Shares or Preferred Shares issued or issuable in any other transaction in which exemption from the definition of New Shares is consented to in writing by (i) the Holder(s) of not less than 51% of all outstanding Series A Preferred Shares; (ii) Holder(s) of not less than 51% of all outstanding Series B Preferred Shares; and (iii) Holder(s) of not less than 51% of all outstanding Series C Preferred Shares.

13. SHAREHOLDING

The parties hereto acknowledge that the particulars of the issued share capital of the Company held by its shareholders as of the Date of this Agreement are as set out in of the Exhibit C.

14. BOARD REPRESENTATION AND BOARD OF DIRECTORS

(a) The parties hereto shall take all appropriate actions to fix and maintain a Board of Directors of seven (7) members, consisting of

(i) Sheng Chen;

(ii) three (3) members (the "**Preferred Directors**") to be appointed by the holder(s) of the Preferred Shares as follow:

(1) TOA Capital Corporation and its affiliates shall have the rights to appoint one director, who shall initially be Yoshihisa Ueno, so long as TOA Capital Corporation and its affiliates together hold more than 3% of total issued and outstanding shares in the Company;

(2) Matrix Partners China I, L.P. and its affiliates shall have the rights to appoint one director, who shall initially be David Ying Zhang, so long as Matrix Partners China I, L.P. and its affiliates together hold more than 3% of total issued and outstanding shares in the Company;

(3) Granite Global Ventures III LP and its affiliates shall have the rights to appoint one director, who shall initially be Jenny Lee, so long as Granite Global Ventures III LP and its affiliates together hold more than 3% of total issued and outstanding shares in the Company.

The entity that has the right to appoint directors pursuant to subsections (1), (2) or (3) above shall have the right to remove and replace the Directors they appointed who have been removed or have resigned from time to time.

(b) Subject to the approval by (i) the Holder(s) of not less than 51% of all outstanding Series A Preferred Shares; (ii) Holder(s) of not less than 51% of all outstanding Series B Preferred Shares; and (iii) Holder(s) of not less than 51% of all outstanding Series C Preferred Shares, the maximum number of Directors may be increased and such existing or future Holder(s) of Ordinary Shares or Preferred Shares may be entitled to nominate such additional Directors and to remove or replace the Directors they so nominate from time to time.

(c) A representative of Sheng Chen, a representative of Asuka DBJ Partners Co., Ltd. and So-net Entertainment Corporation, a representative of IP Cathay One, L.P., a representative of Trinity Ventures IX, L.P., Trinity IX Side-By-Side Fund, L.P. and Trinity IX Entrepreneurs' Fund, L.P. and a representative of Meritech Capital Partners III L.P. and Meritech Capital Affiliates III L.P. shall be entitled to attend as an observer with no voting rights to all Board meetings of the Company (each an "**Observer**"), for so long as the abovementioned individual or entities hold, directly or indirectly any Equity Securities. Any additional Observer shall be subject to approval by the Chairman of the Board. The Company shall provide to each Observer (and shall cause each other Group Company to provide to each Observer), concurrently with the members of the Board, notice of each meeting thereof or of any committee thereof, and a copy of all materials provided to such members. All Observers shall be retired on or prior to the consummation of a Qualified IPO or an initial public offering of the Ordinary Shares other than a Qualified IPO approved by the Board in accordance with the provisions of this Agreement (an "**IPO**").

(d) The Board of Directors shall from time to time appoint a Director to act as the Chairman of the Board of Directors. For so long as the Board of Directors includes Sheng Chen, Sheng Chen shall be appointed as Chairman of the Board of Directors.

(e) Within twelve (12) months after the consummation of an IPO, the Board of Directors shall, subject to the requirements of all applicable listing rules, consist of (i) two (2) members to be appointed by the Holders of the Ordinary Shares by approval of the Holders of not less than 51% of all outstanding Ordinary Shares (which, for the avoidance of doubt, shall not include any Ordinary Shares issuable upon conversion or exchange of any convertible or exchangeable securities), of which one shall be Sheng Chen and the other shall be the chief executive officer or the president of the Company; (ii) four (4) independent Directors to be recommended by the Founders and approved by the Board of Directors, including a majority of the Preferred Directors; and (iii) one (1) member to be appointed by the Holder holding the largest amount of the then outstanding Ordinary Shares which will have been issued upon conversion from Preferred Shares immediately prior to the IPO, if any.

(f) The parties hereto shall cause each of the Group Company (other than the Company) to establish a board of directors comprising three members and amend its articles of association accordingly (if it has not already done so) within two months after the signing of this Agreement in such manner as a majority of the Preferred Shareholders may require. The business and affairs of such Group Company shall be managed by such board of directors who may exercise all the powers of such Group Company. The members of such board of directors may meet together for the despatch of business, adjourn, and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman of such board of directors shall not have a second or casting vote. A member may at any time summon a committee meeting.

(g) The parties hereto shall as soon as practicable cause the Company to establish a human resources and compensation committee (the "**HR and Compensation Committee**") to set appropriate remuneration levels for employees of the Group, determine the form and payment of any other compensation to employees of the Group, and undertake such other duties as the Board of Directors may from time to time prescribe. The HR and Compensation Committee shall comprise of up to three members including one member to be nominated jointly by Granite Global Ventures III L.P. and GGV III Entrepreneurs Fund L.P. for so long as they hold not less than 3% of the outstanding Ordinary Shares (including Ordinary Shares issuable upon conversion of Preferred Shares).

15. PROCEEDINGS OF BOARD OF DIRECTORS

(a) The Board shall meet no less frequently than once every two months. Notices of any Board of Directors meeting shall be given to the Directors and Observers no less than ten (10) days in advance (the "**Notice Period**"), and any documents requiring any Board action at the meeting shall be furnished to the Directors and Observers no less than three (3) days in advance. Any Director may convene a Board Meeting whenever he thinks fit. The quorum of a Board of Directors meeting shall be four (4) Directors and shall always include Sheng Chen and the Preferred Directors (if any). If a quorum is not present at such meeting, the meeting shall be adjourned until the same time and place on the same day in seven (7) days' time. If a quorum is still not present, the quorum of such adjourned meeting shall be any three (3) Directors including at least one Preferred Director (if any). If the quorum of such adjourned meeting is not present, the meeting shall be further adjourned until the same time and place on the same day in seven (7) days' time. At such further adjourned meeting, any three (3) Directors shall constitute a quorum.

(b) Any question arising at any Board of Directors meeting shall be decided by a majority of votes. In case of an equality of vote, the Chairman of the Board of Directors shall have a second vote.

16. INCENTIVE AND BONUS SCHEMES

(a) The parties hereto acknowledge that the Board of Directors have adopted an employee stock option plan for grant and issuance from time to time of up to 3,658,563 Ordinary Shares to officers, directors, employees and consultants of the Group (the "**Incentive Scheme**"). The parties agree that the Company shall not adopt any additional employee stock option plan before an IPO unless approved in writing by (i) the Board of Directors, including a majority of the Preferred Directors; (ii) the Holder(s) of not less than 51% of all outstanding Series A Preferred Shares; (iii) Holder(s) of not less than 51% of all outstanding Series B Preferred Shares; and (iv) Holder(s) of not less than 51% of all outstanding Series C Preferred Shares. The HR and Compensation Committee shall be responsible for administering the Incentive Scheme.

17. VOTING RIGHT

Subject to the Cayman Islands Companies Law (2010 Revision), the Holders shall exercise all voting rights and powers of control available to them in relation to the Group to procure that, save as otherwise expressly provided in this Agreement, the Company shall not, and shall also procure that no Group Company will:

(a) save as otherwise agreed in the annual budget, without first obtaining the written approval of more than two-thirds (2/3) of the Directors of the Company including a majority of the Preferred Directors (and in respect of paragraph (vi) below, including the approval of the Chairman of the Board of Directors of the Company):

(i) change any part of its business activities;

(ii) acquire any investment or incur any commitment (otherwise as approved in the annual budget) in excess of US$200,000 (or its equivalent in any other currency or currencies) at any time in respect of any one transaction or in excess of US$1,000,000 (or its equivalent in any other currency or currencies) at any time in related transactions in any financial year;

(iii) borrow any money or obtain any financial facilities except pursuant to trade facilities obtained from banks or other financial institutions in the ordinary course of business;

(iv) create, allow to create or issue any debenture constituting a pledge, lien or charge (whether by way of fixed or floating charge, mortgage encumbrance or other security) on all or any of its undertaking, assets or rights except for the purpose of securing borrowings of not more than US$200,000 at any time or an aggregate of US$1,000,000 per year from banks or other financial institutions in the ordinary course of business;

(v) make any advances or other credits involving more than US$250,000 in a single transaction or more than US$500,000 in the aggregate in any fiscal year to any person, or guarantee, indemnify, act as surety for, or otherwise secure or accept or assume any direct or indirect liability for the liabilities of or obligations of any person except as security for facilities or loans granted to it or in the ordinary course of its business;

(vi) appointment, dismissal and the terms of such appointment or dismissal of its Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Chief Technology Officer;

(vii) amend the accounting policies previously adopted or change its financial year;

(viii) approve, adopt or amend the terms of any bonus (other than as approved in the annual budget) or profit sharing scheme;

(ix) appoint or change its auditors;

(x) approve or make adjustments or modifications to terms of transactions involving the interest of any director or shareholder, including but not limited to the making of any loans or advances, whether directly or indirectly, except on arms length terms in the ordinary course of business and in amounts less than US$ 100,000 in the aggregate per year; or the provision of any guarantee, indemnity or security for or in connection with any indebtedness of liabilities of any director or shareholder;

(xi) amend, alter or modify any term of any financing or lending agreements or arrangements to which it is a party;

(xii) approved or amend the annual budget; or

(xiii) approve, adopt or amend the terms of any employee share option or equity incentive scheme.

(b) without first obtaining the written approval of (i) holders of not less than 51% of all outstanding Series A Preferred Shares; (ii) holders of not less than 51% of all outstanding Series B Preferred Shares; and (iii) holders of not less than 51% of all outstanding Series C Preferred Shares:

(i) amend or alter its memorandum of association, articles of association, by-laws, regulations or any other constitutional documents in a manner that would adversely affects the rights of a holder of Preferred Shares;

(ii) create (by new authorization, reclassification, recapitalization or otherwise) or issue any class or series of shares or stock or securities exchangeable for or convertible into shares;

(iii) consolidate or divide or alter, increase or reduce all or any of its share capital, or grant or issue any options rights or warrants which may require the issue of shares in the future or do any act which has the effect of diluting or reducing the effective shareholding of the Preferred Shareholders in the Company;

(iv) pay or declare any dividends, or make any other distribution of cash, shares or other assets, on any of its shares;

(v) capitalize any sum standing to the credit of any of its reserve accounts or profit or loan accounts;

(vi) authorize a merger or consolidation or sale or spin-off of all or substantially all of its assets;

(vii) sell, lease, convey, exchange, transfer, grant an exclusive license in any country under, or otherwise dispose of (x) the patents and any other tangible or intangible assets which are requisite for it to carry on its business or (y) all or substantially all of the assets held by it;

(viii) redeem, repurchase, cancel or otherwise acquire any of its shares or securities; *provided*, *however*, that this restriction shall not apply to the redemption, repurchase or other acquisition of (x) securities from employees, officers, directors or consultants upon termination of service or employment, or (y) securities upon the exercise by the Company of a right of first refusal under Clause 3(d) approved by the Board;

(ix) authorize, adopt, amend or establish, or allocate additional shares or options to, any employee share grant, share purchase, share options, incentive or compensation plan, program or arrangement;

(x) change in any material respect the nature of its current or contemplated business as carried on as of the date hereof;

(xi) establish or invest in, or divest or sell of any interest in, any Group Company or affiliated company;

(xii) approve the listing of its shares on any stock exchange;

(xiii) approve any recapitalization, restructuring or reorganization or any action that would result in its dissolution, liquidation or winding up, or apply for the appointment of a receiver, manager or judicial manager or like officer;

(xiv) increase or decrease the maximum number of Directors;

(xv) enter into any joint venture agreements or the formation of any subsidiary;

(xvi) acquire any share capital or other securities of any body corporate or the establishment of any branch;

(xvii) sell, transfer, license, charge, encumber or otherwise dispose of any trademarks, patents or other intellectual property owned by it except in the ordinary course of its business;

(xviii) dispose or dilute its interest, directly or indirectly in any of its Subsidiaries; or

(xix) approve any transfer of its shares.

In addition to (but not in derogation of) the foregoing, the Company shall not, and the Founders and the Existing Shareholders shall procure each of the Group Companies not to, without first obtaining the written approval of Holders of not less than 51% of a class of outstanding Preferred Shares, repeal, alter or amend these Articles in a manner which affects the rights, preferences, privileges or powers or restrictions attaching to that class of Preferred Shares or take any other action which affects such rights, preferences, privileges or powers or restrictions, take any action that authorizes, creates or issues any securities of any class in any Group Company having rights superior or on a parity to that class of Preferred Shares, and take any action that reclassifies any securities of any class in any Group Company into shares having rights superior or on a parity to that class of Preferred Shares. For the purpose of this sub-paragraph, all Series A Preferred Shares shall be deemed to belong to one single class, all Series B Preferred Shares shall be deemed to belong to one single class, and all Series C Preferred Shares shall be deemed to belong to one single class.

18. COVENANTS

(a) The Company shall deliver to each Preferred Shareholder:

(i) as soon as practicable, but in any event within ninety (90) days after the end of each fiscal year of the Company, an income statement, balance sheet, statement of shareholder's equity, and a statement of cash flows, such year-end financial statements to be in reasonable detail, prepared on a consolidated basis and in accordance with generally accepted accounting principles in the United States of America ("**GAAP**"), and audited by one of the "big four" accounting firms selected by the Company and acceptable to the Board of Directors, including a majority of the Preferred Directors;

(ii) as soon as practicable, but in any event within thirty (30) days after the end of each month of each fiscal year of the Company, an unaudited monthly consolidated income statement, statement of shareholder's equity, statement of cash flows and balance sheet as of the end of such fiscal month and prepared in accordance with GAAP;

(iii) as soon as practicable, but in any event within forty-five (45) days after the end of each quarter of each fiscal year of the Company, an unaudited quarterly consolidated income statement, statement of shareholder's equity, statement of cash flows and balance sheet as of the end of such fiscal quarter and prepared in accordance with GAAP; and

(iv) an annual consolidated budget of the Group for the following fiscal year within thirty (30) days prior to the end of each fiscal year.

(b) The Company shall not, and shall also procure that no Group Company will, make any loans to, or provide guarantees to the benefit of any shareholders or directors of any Group Company. Any loans to an employee shall require the written approval of more than two-third (2/3) of the Directors of the Company.

(c) The Company shall permit the Preferred Shareholders, at the Preferred Shareholders' expense, to visit and inspect any Group Company's properties, to examine its books of account and records and to discuss its affairs, finances and accounts with its officers, all at such reasonable times as may be requested by the Preferred Shareholders.

(d) The Company shall give each holder of Preferred Shares not less than 30 days advance notice to enable such holder to exercise or consider to exercise its right to convert its Preferred Shares into Ordinary Shares prior to the consummation of (i) registration of any Equity Securities under the Securities Act; (ii) any merger, consolidation or reorganization involving any Group Company; and (iii) any offer of redemption or repurchase of any Equity Securities.

(e) Fast Horse Technology Limited ("**Fast Horse**") hereby acknowledges and declares that all the Ordinary Shares in the Company held by Fast Horse were issued to Fast Horse by the Company for the sole purpose of Fast Horse holding such shares for the benefit of the employee, consultant and executive share scheme to be approved and implemented by the Company for the benefit of the Founders. The Founders and Fast Horse hereby covenant that Fast Horse will assign or otherwise deal with such shares for the purpose of such scheme according to the instruction of the Company from time to time.

(f) The Company, the Existing Shareholders and the Founders undertake to the Preferred Shareholders that the Company will (and the Existing Shareholders and the Founders will procure the Company to) cause each of the Group Companies (including the Company itself) to conduct its business in the ordinary course and in a prudent manner consistent with best practices.

(g) The Company, the Existing Shareholders and the Founders undertake to the Preferred Shareholders that they will cause any person who may in the future directly or indirectly hold any interest in the Group and who is a PRC resident to either (i) comply, as soon as possible, with the registration and any other requirements of the SAFE Circular (as defined in the First Subscription Agreement) as long as the SAFE Circular remains effective; or (ii) deliver to the Company and the Preferred Shareholders a written confirmation in form and substance satisfactory to the majority of the Preferred Shareholders that such person is not subject to the registration requirements of the SAFE Circular.

(h) The Company, the Existing Shareholders and the Founders shall procure that the Group be restructured and operated in accordance with all applicable law and regulation in order to attain the optimum business, operational, legal, finance and tax model for the Group provided that such restructuring and operation shall be on such terms and conditions as a majority of the outstanding Preferred Shares (voting as a single class on an as converted basis) may approve.

(i) The Company, the Existing Shareholders and the Founders shall procure that, without the prior written approval by a majority of the outstanding Preferred Shares (voting as a single class on an as converted basis), (i) none of the WOFE Agreements (as defined in the First Subscription Agreement) shall be amended, varied or terminated; and (ii) no Group company shall enter into any new agreement for purposes similar to that of the WOFE Agreements. Without prejudice to the foregoing, the Company, the Existing Shareholders and the Founders shall procure that the WOFE Agreements be restructured in accordance with all applicable law and regulation in order to attain the optimum business, operation, legal, finance and tax model for the Group provided that such restructuring shall be on such terms and conditions as a majority of the outstanding Preferred Shares (voting as a single class on an as converted basis) may approve.

(j) The Company shall take such actions, including making an election to be treated as a corporation or refraining from making an election to be treated as a partnership, as may be required to ensure that at all times the Company is treated as corporation for United States federal income tax purposes.

(k) The Company shall make due inquiry with its tax advisors on at least an annual basis regarding whether Preferred Shareholders' interest in the Company is subject to the reporting requirements of either or both of Sections 6038 and 6038B of the Code (and the Company shall duly inform the Preferred Shareholders of the results of such determination), and in the event that the Company's tax advisors or the Preferred Shareholders' tax advisors determine that the Preferred Shareholders' interest in the Company is subject to any such reporting requirements, the Company agrees, upon a request from such Preferred Shareholder, to provide such information to such Preferred Shareholder as may be necessary to fulfill such Preferred Shareholder's obligations thereunder.

(l) The Company shall use its commercially reasonable efforts to minimize its risk of being, or becoming, classified as a "passive foreign investment company" (a "PFIC") within the meaning of Section 1297 of the Code. The Company shall make due inquiry with its tax advisors on at least an annual basis regarding its status as a PFIC, and if the Company is informed by its tax advisors that it has become a PFIC, or that there is a likelihood of the Company being classified as a PFIC for any taxable year, the Company shall promptly notify the Preferred Shareholders of such status or risk, as the case may be. In connection with a "Qualified Electing Fund" election made by a Preferred Shareholder pursuant to Section 1295 of the United States Internal Revenue Code or a "Protective Statement" filed by a Preferred Shareholder pursuant to Treasury Regulation Section 1.1295-3, as amended (or any successor thereto), the Company shall provide annual financial information to the Preferred Shareholder in the form attached hereto as Exhibit E as soon as reasonably practicable following the end of each taxable year of such Preferred Shareholder (but in no event later than 90 days following the end of each such taxable year), and shall provide such Preferred Shareholder with access to such other Company information as may be required for purposes of filing U.S. federal income tax returns in connection with such Qualified Electing Fund election or Protective Statement.

(m) The Company shall not, without the written consent of a Preferred Shareholder, issue or transfer securities in the Company to such Preferred Shareholder if following such issuance or transfer the Company, in the determination of counsel or accountants for such Preferred Shareholder, would be a controlled foreign corporation (a "CFC") as defined in Section 957 of the Code with respect to the securities held by such Preferred Shareholder. The Company shall make due inquiry with its tax advisors on at least an annual basis regarding its status as a CFC and regarding whether any portion of the Company's income is Subpart F income. In the event that Company is determined by the Company's tax advisors or by counsel or accountants for any Preferred Shareholder to be a CFC with respect to the securities held by such Preferred Shareholder, the Company agrees to use commercially reasonable efforts to avoid generating Subpart F income.

(n) For purposes of paragraphs (i) through (iii) of this Section 18(n):

(1) "***U.S. Investor***" means (A) any Preferred Shareholder that is a United States person and (B) any Preferred Shareholder that is an entity treated as a foreign partnership for U.S. federal income tax purposes, one or more of the owners of which are United States persons; and

(2) "***United States person***" means any person described in Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (the "***Code***").

(ii) The Company agrees to make available to any U.S. Investor upon request, the books and records of the Company and its direct and indirect subsidiaries, and to provide information to such U.S. Investor pertinent to the Company's or any subsidiary's status or potential status for U.S. federal income tax purposes of such U.S. Investor including all information reasonably available to the Company or any of its subsidiaries to permit such U.S. Investor to (i) accurately prepare all tax returns and comply with any reporting requirements and (ii) make any election, with respect to the Company or any of its direct or indirect subsidiaries, and comply with any reporting or other requirements incident to such election.

(iii) The Company shall: furnish to each U.S. Investor upon its reasonable request, on a timely basis, and at the Company's expense, all information reasonably necessary to satisfy the U.S. income tax return filing requirements of such U.S. Investor (or such other person that owns any direct or indirect interest in such U.S. Investor) arising from its investment in the Company.

(o) The Company shall not, and the Founders shall cause the Company and any other persons or entities directly or indirectly Controlled by them not to, and the Company shall ensure that the Company's subsidiaries (including any Subsidiary) and their respective officers, directors, and representatives shall not, in violation of any applicable law and regulations, make, directly or indirectly, any payment, loan or gift of any money, or anything of value to, or for the use of, any government official (including an official of a government-owned or controlled entity), any political party or official, or any candidate for political office, or any other person where it knows or has reason to know that such payment, loan or gift would be given directly or indirectly to any government official or political party or official candidate, and they shall not, in violation of any applicable law and regulation, take any action or make any payment (including promises to take action or make payments), in each case for the purpose of inducing any of the foregoing persons to do any act to make any decisions in his or its official capacity (including a decision to fail to perform his or its official function) or use his or its influence with a government or instrumentality in order to affect any act or decision of such government or instrumentality in order to assist the Company or any Preferred Shareholder or their respective subsidiaries in obtaining or retaining any business or to obtain an unfair competitive advantage or which may cause the Company or any Preferred Shareholder or their respective subsidiaries to be in violation of, any applicable laws and regulations. Notwithstanding anything to the contrary in this Section 18(m), any facilitating or expediting payment made to a government official for the purpose of expediting or securing the performance of a routine governmental action by a government official shall not constitute a breach of the covenant made in this Section 18(i).

(p) The Company shall ensure that each Group Company is in full compliance with United States and international economic and trade sanctions, including those administered by the Office of Foreign Assets Control of the United States Department of the Treasury. Without limiting the generality of the foregoing, the Company shall insure that (i) no officer, director or employee of the Company or any Subsidiary or any Affiliate thereof shall entered into any transaction with, or for the benefit of, any of the individuals or institutions named on lists of sanctioned persons, including the Office of Foreign Assets Control of the United States Department of the Treasury ("**OFAC**") list of "Specially Designated Nationals and Blocked Persons" ("**SDNs**") and (ii) neither the Company nor its subsidiaries (including the Subsidiaries) shall engage in any business arrangements or transactions with or involving countries subject to economic or trade sanctions imposed by the government of the United States of America, or with or involving SDNs or Cuban nationals, in violation of the regulations maintained by OFAC.

19. PUBLIC OFFERING, TRADE SALE

(a) Each of the Company, the Founders and the Existing Shareholders shall use its best endeavors to cause the Qualified IPO or a Trade Sale to occur on or prior to December 31, 2014.

(b) An IPO or a liquidity event other than a Qualified IPO shall require approval of a majority of the Board, which approval must include approval of a majority of the Preferred Directors.

(c) The Company shall procure that if the shares of the Company are offered in an underwritten public offering (whether or not the Qualified IPO) outside the United States for the account of any other shareholders of the Company, each of the Preferred Shareholders (the "**Relevant Investor**") shall have the right to include a pro-rata number of shares (based on the number of shares then held by such Relevant Investor and all other shareholders selling in such offering) in the offering on terms and conditions no less favourable to such Relevant Investor than to any other selling shareholder.

(d) All expenses (including underwriting, selling and distribution costs) incurred in connection with the Qualified IPO shall be borne by the Company provided that any selling commission in connection with or arising from the offer for sale by any Holder shall be borne by such Holder.

(e) In the event of the Qualified IPO, the lock-up period for the Preferred Shares or the Ordinary Shares converted from the Preferred Shares shall be no more than six (6) months after the consummation of the Qualified IPO.

(f) In the event of an initial public offering of the Company with a post-money valuation of less than US$ 400 million, such initial public offering shall be deemed to be a Qualified IPO at the discretion of the Board, including a majority of the Preferred Directors.

20. NON-COMPETITION / NON-SOLICITATION

(a) ***Non-Competition***

Each of the Founders and Existing Shareholders jointly and severally agrees and undertakes that for so long as any Existing Shareholder holds any Equity Securities and for a period of 24 months after it ceases to hold any Equity Securities, it will not, except in holding not more than 5% interest in any public listed company, be engaged in PRC nor establish similar operations in PRC, directly or indirectly, whether on its own or jointly with other parties, in any capacity whatsoever, in any business that might compete with any business of any Group Company without the prior written consent of (i) the Holder(s) of not less than 51% of all outstanding Series A Preferred Shares; (ii) Holder(s) of not less than 51% of all outstanding Series B Preferred Shares; and (iii) Holder(s) of not less than 51% of all outstanding Series C Preferred Shares.

(b) ***Non-Solicitation of Employees***

Each of the Founders and Existing Shareholders jointly and severally agrees and undertakes that for so long as any Existing Shareholders holds any Equity Securities and for a period of 24 months after it ceases to hold any Equity Securities, it will not solicit, employ, seek to employ or cause any person or entity to employ any employee, manager, officer or director of any Group Company who has been an employee, manager, officer or director of any Group Company at any time during the then preceding twelve (12) months without the prior written consent of (i) the Holder(s) of not less than 51% of all outstanding Series A Preferred Shares; (ii) Holder(s) of not less than 51% of all outstanding Series B Preferred Shares; and (iii) Holder(s) of not less than 51% of all outstanding Series C Preferred Shares.

(c) ***Non-Solicitation of Customers***

Each of the Founders and Existing Shareholders jointly and severally agrees and undertakes that for so long as any Existing Shareholders holds any Equity Securities and for a period of 24 months after it ceases to hold any Equity Securities, it will not in competition with any Group Company solicit, provide services to, seek to provide services to or cause any person or entity to solicit or provide services to any person who is then or has been at any time during the then preceding twelve (12) months a client or prospective client of any Group Company without the prior written consent of (i) the Holder(s) of not less than 51% of all outstanding Series A Preferred Shares; (ii) Holder(s) of not less than 51% of all outstanding Series B Preferred Shares; and (iii) Holder(s) of not less than 51% of all outstanding Series C Preferred Shares.

21. MISCELLANEOUS

(a) ***Transfer Notice***

This Agreement and the rights and obligations of the parties hereunder shall inure to the benefit of, and be binding upon, their respective successors and assigns provided that the Company, the Founders and the Existing Shareholders shall not assign any of their rights or obligations under this Agreement to any other person without the prior written consent of (i) Holder(s) of not less than 51% of all outstanding Series A Preferred Shares; (ii) Holder(s) of not less than 51% of all outstanding Series B Preferred Shares; and (iii) Holder(s) of not less than 51% of all outstanding Series C Preferred Shares. The rights of the Holders hereunder are only assignable (i) by each of such Holders to any other Holder, (ii) (in the case of a Preferred Shareholder only) to a partner or Affiliate of such Holder or (iii) to an assignee or transferee who acquires the Equity Securities from any Holder pursuant to the terms of this Agreement.

(b) ***Additional Preferred Shareholders***

In the event that the Company issues additional Series C Preferred Shares to one or more new investors ("**Additional Preferred Shareholders**"), each of such Additional Preferred Shareholders shall execute a joinder to this Agreement in the form of Exhibit F hereto. Upon delivery of any such joinder to other parties hereof, notice of which is hereby waived by the parties hereto, each such Additional Preferred Shareholder shall be as fully a party hereto as if such Additional Preferred Shareholder were an original signatory hereof.

(c) ***Effect of Change in Company's Capital Structure***

Appropriate adjustments shall be made into the number and class of shares referenced in this Agreement in the event of a share dividend, share split, reverse share split, combination, reclassification or like change in the capital structure of the Company.

(d) ***Notices***

Any notice required or permitted by any provision of this Agreement shall be given in writing and shall be delivered personally or by courier, or by registered or certified mail, postage prepaid, or by confirmed facsimile transmission addressed or sent (i) in the case of a Founder to the Founder's address or fax number as set forth in the signature pages hereto or such other address or fax number as such Founder may designate in writing from time to time, (ii) in the case of an Existing Shareholders to its address or fax number as set forth in the signature pages hereto or such other address or fax number as such Existing Shareholder may designate in writing from time to time, (iii) in the case of the Company, to its address or fax number as set forth in the signature pages hereto or such other address or fax number as the Company may designate from time to time, (iv) in the case of a Preferred Shareholder to its address or fax number as set forth in the signature pages hereto or such other address or fax number as such Preferred Shareholder may designate in writing from time to time; and, (v) in the case of any permitted transferee of a party to this Agreement or its transferee, to such transferee at its address or fax number as designated in writing by such transferee to the Company from time to time. Notices that are mailed shall be deemed received seven (7) days after deposit in the postal service. Notices sent by courier or overnight delivery shall be deemed received three (3) days after they have been so sent. Notices sent by facsimile transmission shall be deemed received one (1) day after the transmission if a copy is sent by first-class mail on the date of transmission.

(e) ***Further Instruments and Actions***

The parties agree to execute such further instruments and to take such further action (including the exercise of all voting rights and other powers of control available to them in relation to the Company and other Group Companies) as may reasonably be necessary to carry out the intent of this Agreement. The Founders agree to cooperate affirmatively with the Company, the Preferred Shareholders and the Holders, to the extent reasonably requested by the Company, the Preferred Shareholders or the Holders, to enforce rights and obligations pursuant hereto.

(f) ***Term***

This Agreement may be terminated with the written consent of all the parties hereto. This Agreement shall automatically terminate upon the earlier of (i) the closing of the Qualified IPO; and (ii) the closing of the Trade Sale.

(g) ***Entire Agreement***

This Agreement (including the Exhibits hereto) constitutes the full and entire understanding and agreement among the parties hereto with respect to the subjects hereof and thereof, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

(h) ***Amendments and Waivers***

Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the parties hereto. Any amendment or waiver effected in accordance with this paragraph shall be binding upon the parties hereto and their respective successors and assigns.

(i) ***Severability***

In case any provision of the Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(j) ***Lawyer's Fees***

In the event that any dispute among the parties to this Agreement should result in litigation, the prevailing party in such dispute shall be entitled to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, including without limitation, such reasonable fees and expenses of lawyers and accountants, which shall include, without limitation, all fees, costs and expenses of appeals.

(k) ***Governing Law***

This Agreement shall be governed in all respects by and construed according to the laws of Hong Kong.

(l) ***Arbitration***

Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach termination or invalidity thereof, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force and as may be amended by the rest of this subsection. The appointing authority shall be Hong Kong International Arbitration Centre. The place of arbitration shall be in Hong Kong at Hong Kong International Arbitration Centre (HKIAC).

There shall be only one arbitrator. The award of the arbitration tribunal shall be final and binding upon the disputing parties, and any party to the dispute may apply to a court of competent jurisdiction for enforcement of such award.

(m) ***Counterparts***

This Agreement may be executed in two or more counterparts, including facsimile counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

(n) ***Delays or Omissions***

Except as expressly provided herein, no delay or omission to exercise any right, power or remedy accruing to any party to this Agreement upon any breach or default of any other party under this Agreement shall impair any such right, power or remedy of such non-defaulting party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any party to this Agreement, shall be cumulative and not alternative.

(o) ***Memorandum and Articles of Association***

In the event of any conflict or inconsistency between the Articles and this Agreement, the provisions of the Articles shall prevail.

[Signature pages follow.]

IN WITNESS WHEREOF, the parties have executed this Shareholders' Agreement as of the date first above written.

21VIANET GROUP, INC.
The offices of Maples Corporate Services Limited, PO Box 309, Ugland House Grand Cayman, KY1-1104 Cayman Islands

By: **/s/ Sheng Chen**
Name: **Sheng Chen**
Title: Chairman and Chief Execution Officer

[AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Shareholders' Agreement as of the date first above written.

SHENG CHEN
c/o B28C, UBP, 10 Jiuxianqiao Road
Chaoyang District, 100016 China
Fax: 86-10-8456-4234

/s/ Sheng Chen

JUN ZHANG
c/o B28C, UBP, 10 Jiuxianqiao Road
Chaoyang District, 100016 China
Fax: 86-10-8456-4234

/s/ Jun Zhang

IN WITNESS WHEREOF, the parties have executed this Shareholders' Agreement as of the date first above written.

Purple Communications Limited
The offices of Maples Corporate Services Limited
P. O. Box 309, Ugland House
Grand Cayman, KY1-1104 Cayman Islands
Fax: 1-408-970-3316

By: **/s/ Sherman Tuan**
Name: **Sherman Tuan**
Title: **Director**

[AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Shareholders' Agreement as of the date first above written.

U-MEDIA Holdings Inc.
P. O. Box 957, Offshore Incorporations
Centre, Road Town, Tortola
British Virgin Islands
Fax: 852-2537-6006

By: **/s/ U-MEDIA Holdings Inc.**
Name:
Title:

[AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Shareholders' Agreement as of the date first above written.

Smartpay Company Limited
Omar Hodge Building, Wickhams Cay I
P. O. Box 362, Road Town
Tortola, British Virgin Islands
Fax: 852-8107-0606

By: **/s/ Smartpay Company Limited**
Name:
Title:

[AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Shareholders' Agreement as of the date first above written.

Fast Horse Technology Limited
P. O. Box 957, Offshore Incorporations
Centre, Road Town, Tortola
British Virgin Islands
Fax: 86-10-8456-4234

By: **/s/ Sheng Chen**
Name: **Sheng Chen**
Title: **Authorized Signatory**

[AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Shareholders' Agreement as of the date first above written.

TOA Capital Corporation
as general partner of Japan China Bridge Fund
4F Ogawacho Mesena Building
Kanda Ogawacho 1-7, Chiyoda-ku
Tokyo, 101-0052, Japan

By: **/s/ Ueno Yoshihisa**
Name: **Ueno Yoshihisa**
Title: **General Partner**

[AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Shareholders' Agreement as of the date first above written.

CBC IDC Limited
90 Main Street, P. O. Box 3099, Road Town,
Tortola, British Virgin Islands

By: **/s/ Ying Zhang**
Name: **Ying Zhang**
Title:

[AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Shareholders' Agreement as of the date first above written.

IP Cathay One, L.P.
P.O. Box 933, 2nd Floor, Abbott Building, Road Town
Tortola, British Virgin Islands

By: **/s/ Richard Chang**
Name: **Richard Chang**
Title: **Founding Managing Partner**

[AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Shareholders' Agreement as of the date first above written.

Asuka DBJ Partners Co., Ltd.
as general partner of Asuka DBJ
Investment LPS
11F Ark Mori Building, Akasaka 1-12-32
Minato-ku, Tokyo, 107-6011, Japan

By: **/s/ Toshihiro Toyoshima**
Name: **Toshihiro Toyoshima**
Title: **CEO**

[AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Shareholders' Agreement as of the date first above written.

Riselink Venture Capital Corp.
11F-1, No. 89, Sung-Jen Road, 110, Taipei,
Taiwan, Republic of China

By: **/s/ Sharon Liao**
Name: **Sharon Liao**
Title: **Managing Director**

Parawin Venture Capital Corp.
11F-1, No. 89, Sung-Jen Road, 110, Taipei,
Taiwan, Republic of China

By: **/s/ Sharon Liao**
Name: **Sharon Liao**
Title: **Managing Director**

Sinolinks Venture Capital Corp.
11F-1, No. 89, Sung-Jen Road, 110, Taipei,
Taiwan, Republic of China

By: **/s/ Sharon Liao**
Name: **Sharon Liao**
Title: **Managing Director**

[AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Shareholders' Agreement as of the date first above written.

HUA VII Venture Capital Corporation
17th - 1F, No. 105, Tun-Hwa South Road,
Sec. 2, Taipei, Taiwan, Republic of China

By: **/s/ Richard Chen**
Name: **Richard Chen**
Title:

[AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Shareholders' Agreement as of the date first above written.

Vincera Growth Capital I Limited
17th - 1F, No. 105, Tun-Hwa South Road
Sec. 2, Taipei, Taiwan, Republic of China

By: **/s/ Richard Chen**
Name: **Richard Chen**
Title:

[AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Shareholders' Agreement as of the date first above written.

China Resources Development Company Limited
7/F, Jade Center, 98 Wellington Street
Central, Hong Kong

By: **/s/ China Resources Development Company Limited**
Name:
Title:

IN WITNESS WHEREOF, the parties have executed this Shareholders' Agreement as of the date first above written.

SO-NET Entertainment Corporation
ThinkPark Tower, 2-1-1 Osaki
Shinagawa-ku, Tokyo, 141-6010, Japan

By: **/s/ Hiroki Totoki**
Name: **Hiroki Totoki**
Title: **Executive Vice President**

[AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Shareholders' Agreement as of the date first above written.

Jessy Assets Limited
Trident Chambers, PO Box 146, Road Town
Tortola, British Virgin Islands

By: **/s/ Yvonne Leung**
Name: **Yvonne Leung**
Title: **Manager**

[AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Shareholders' Agreement as of the date first above written.

Granite Global Ventures III L.P.
2494 Sand Hill Road, Suite 100, Menlo Park
CA94025, United States of America

By: Granite Global Ventures III L.L.C.,
its General Partner

By: /s/ Hany Nada
Name: Hany Nada
Title: Managing Director

GGV III Enterprises Fund L.P.
2494 Sand Hill Road, Suite 100, Menlo Park
CA94025, United States of America

By: Granite Global Ventures III L.L.C.,
its General Partner

By: /s/ Hany Nada
Name: Hany Nada
Title: Managing Director

IN WITNESS WHEREOF, the parties have executed this Shareholders' Agreement as of the date first above written.

Trinity Ventures IX L.P.
3000 Sand Hill Road, Building 4, Suite 160,
Menlo Park, CA 94025
United States of America

By: Trinity TVL IX, L.L.C.,
its General Partner

By: /s/ Ajay Chopra
Name: Ajay Chopra
Title: General Partner

Trinity IX Side-By-Side Fund, L.P.
3000 Sand Hill Road, Building 4, Suite 160,
Menlo Park, CA 94025
United States of America

By: Trinity TVL IX, L.L.C.,
its General Partner

By: /s/ Ajay Chopra
Name: Ajay Chopra
Title: General Partner

Trinity IX Entrepreneurs' Fund, L.P.
3000 Sand Hill Road, Building 4, Suite 160,
Menlo Park, CA 94025
United States of America

By: Trinity TVL IX, L.L.C.,
its General Partner

By: /s/ Ajay Chopra
Name: Ajay Chopra
Title: General Partner

IN WITNESS WHEREOF, the parties have executed this Shareholders' Agreement as of the date first above written.

Matrix Partners China I, L.P.
c/o Maples Corporate Services Limited
P.O. Box 309 Ugland House,
Grand Cayman, KY1-1104, Cayman Islands

By: Matrix China Management I, L.P.
its General Partner

By: Matrix China I GP GP, Ltd.
its General Partner

By: /s/ Matrix Partners China I, L.P.
Print Name:
Title:

Matrix Partners China I-A, L.P.
c/o Maples Corporate Services Limited
P.O. Box 309 Ugland House,
Grand Cayman, KY1-1104, Cayman Islands

By: Matrix China Management I, L.P.
its General Partner

By: Matrix China I GP GP, Ltd.
its General Partner

By: /s/ Matrix Partners China I-A, L.P.
Print Name:
Title:

[AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Shareholders' Agreement as of the date first above written.

Meritech Capital Partners III L.P.
245 Lytton Ave., Suite 350
Palo Alto, CA 94301
United States of America

By: Meritech Capital Associates III L.L.C.
its General Partner

By: Meritech Management Associates III L.L.C.
a managing member

By: /s/ Paul S. Madera
Name: Paul S. Madera
Title: Managing Director

Meritech Capital Affiliates III L.P.
245 Lytton Ave., Suite 350
Palo Alto, CA 94301
United States of America

By: Meritech Capital Associates III L.L.C.
its General Partner

By: Meritech Management Associates III L.L.C.
a managing member

By: /s/ Paul S. Madera
Name: Paul S. Madera
Title: Managing Director

IN WITNESS WHEREOF, the parties have executed this Shareholders' Agreement as of the date first above written.

WI HARPER INC FUND VI LTD.
10F-2, 76 Tin Hue South Road, Section 2
Taipei, 106 Taiwan

By: /s/ Peter Liu
Name: Peter Liu
Title: Chairman

IN WITNESS WHEREOF, the parties have executed this Shareholders' Agreement as of the date first above written.

IP CATHAY II, L.P.
c/o 7F., No. 122, Dunhua N. Rd.
Taipei 10595, Taiwan

By: /s/ Richard Chang
Name: Richard Chang
Title: Founding Managing Partner

IN WITNESS WHEREOF, the parties have executed this Shareholders' Agreement as of the date first above written.

SMC SYNAPSE PARTNERS LIMITED
P.O Box 957
Offshore Incorporation Center
Road Town, Tortola, British Virgin Island

By: /s/ Ueno Yoshihisa
Name: Ueno Yoshihisa
Title: General Partner

[AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

EXHIBIT A – LIST OF EXISTING SHAREHOLDERS AND FOUNDERS

Part 1

Existing Shareholders	Equity Securities
Purple Communications Limited	Ordinary Shares
U-Media Holdings, Inc.	Ordinary Shares
Smartpay Company Limited	Ordinary Shares
Fast Horse Technology Limited	Ordinary Shares

Part 2

Founders

Chen Sheng

Zhang Jun

EXHIBIT B – LIST OF PREFERRED SHAREHOLDERS

Part I

Series A Preferred Shareholder	**Equity Securities**
TOA Capital Corporation	Series A1 Preferred Shares
CBC IDC Limited	Series A1 Preferred Shares
IP Cathay One, L.P.	Series A1 Preferred Shares
Asuka DBJ Partners Co., Ltd. As general partner of Asuka DBJ Investment LPS	Series A1 Preferred Shares
Riselink Venture Capital Corp.	Series A1 Preferred Shares
Parawin Venture Capital Corp.	Series A1 Preferred Shares
Sinolinks Venture Capital Corp.	Series A1 Preferred Shares
Hua VII Venture Capital Corporation	Series A1 Preferred Shares
Vincera Growth Capital I Limited	Series A1 Preferred Shares
China Resources Development Company Limited	Series A1 Preferred Shares
So-net Entertainment Corporation	Series A1 Preferred Shares
Jessy Assets Limited	Series A2 Preferred Shares
Jessy Assets Limited	Series A3 Preferred Shares

Part II

Series B Preferred Shareholder	**Equity Securities**
TOA Capital Corporation	Series B1 Preferred Shares
IP Cathay One, L.P.	Series B1 Preferred Shares
So-net Entertainment Corporation	Series B1 Preferred Shares
Asuka DBJ Partners Co., Ltd. as general partner of Asuka DBJ Investment LPS	Series B1 Preferred Shares
Granite Global Ventures III L.P.	Series B2 Preferred Shares
GGV III Entrepreneurs Fund L.P.	Series B2 Preferred Shares
Trinity Ventures IX, L.P.	Series B2 Preferred Shares
Trinity IX Side-By-Side Fund, L.P.	Series B2 Preferred Shares
Trinity IX Entrepreneurs' Fund, L.P.	Series B2 Preferred Shares
WI Harper INC Fund VI Ltd.	Series B2 Preferred Shares
Matrix Partners China I, L.P.	Series B2 Preferred Shares
Meritech Capital Partners III L.P.	Series B2 Preferred Shares
Meritech Capital Affiliates III L.P.	Series B2 Preferred Shares
Matrix Partners China I-A, L.P.	Series B2 Preferred Shares

Part II

Series C Preferred Shareholder	**Equity Securities**
Granite Global Ventures III L.P.	Series C1 Preferred Shares
GGV III Entrepreneurs Fund L.P.	Series C1 Preferred Shares
Trinity Ventures IX, L.P.	Series C1 Preferred Shares
Trinity IX Side-By-Side Fund, L.P.	Series C1 Preferred Shares
Trinity IX Entrepreneurs' Fund, L.P.	Series C1 Preferred Shares
Matrix Partners China I, L.P.	Series C1 Preferred Shares
Matrix Partners China I-A, L.P.	Series C1 Preferred Shares
SMC Synapse Partners Limited	Series C1 Preferred Shares
Meritech Capital Partners III L.P.	Series C1 Preferred Shares
Meritech Capital Affiliates III L.P.	Series C1 Preferred Shares
IP Cathay II, L.P.	Series C1 Preferred Shares
CBC IDC Limited	Series C1 Preferred Shares
Smartpay Company Limited	Series C1 Preferred Shares
WI Harper INC Fund VI Ltd.	Series C1 Preferred Shares

EXHIBIT C – SHAREHOLDINGS AS OF THE DATE OF THIS AGREEMENT

Shareholders	Equity Securities	Share Number	% of Ownership post Closing
Ordinary Shares			
Purple Communications Limited	Ordinary Shares	1,785,000	6.47%
U-Media Holdings, Inc.	Ordinary Shares	1,706,316	6.19%
Smartpay Company Limited	Ordinary Shares	1,111,316	4.03%
Fast Horse Technology Limited	Ordinary Shares	2,550,000	9.25%
Sunrise	Ordinary Shares	2,482,609	9%
Subtotal	Ordinary Shares	9,635,241	34.94%
Series A Preferred Shares			
TOA Capital Corporation	Series A1 Preferred Shares	944,445	3.42%
CBC IDC Limited	Series A1 Preferred Shares	377,778	1.37%
IP Cathay One, L.P.	Series A1 Preferred Shares	566,667	2.05%
Asuka DBJ Partners Co., Ltd. As general partner of Asuka DBJ Investment LPS	Series A1 Preferred Shares	340,001	1.23%
Riselink Venture Capital Corp.	Series A1 Preferred Shares	188,889	0.68%
Parawin Venture Capital Corp.	Series A1 Preferred Shares	94,444	0.34%
Sinolinks Venture Capital Corp.	Series A1 Preferred Shares	56,667	0.21%
Hua VII Venture Capital Corporation	Series A1 Preferred Shares	113,333	0.41%
Vincera Growth Capital I Limited	Series A1 Preferred Shares	75,556	0.27%
China Resources Development Company Limited	Series A1 Preferred Shares	245,556	0.89%
So-net Entertainment Corporation	Series A1 Preferred Shares	37,777	0.14%
Subtotal	Series A1 Preferred Shares	3,041,113	11.03%
Jessy Assets Limited	Series A2 Preferred Shares	594,458	2.16%
Jessy Assets Limited	Series A3 Preferred Shares	505,263	1.83%
Subtotal	Series A2 & A3 Preferred Shares	1,099,721	3.99%
Series B Preferred Shares			
TOA Capital Corporation	Series B1 Preferred Shares	505,263	1.83%
IP Cathay One, L.P.	Series B1 Preferred Shares	505,263	1.83%
So-net Entertainment Corporation	Series B1 Preferred Shares	33,684	0.12%
Asuka DBJ Partners Co., Ltd. as general partner of Asuka DBJ Investment LPS	Series B1 Preferred Shares	50,527	0.18%
Subtotal	Series B1 Preferred Shares	1,094,737	3.97%

Granite Global Ventures III L.P.	Series B2 Preferred Shares	1,590,971	5.77%
GGV III Entrepreneurs Fund L.P.	Series B2 Preferred Shares	25,870	0.09%
Trinity Ventures IX, L.P.	Series B2 Preferred Shares	784,895	2.85%
Trinity IX Side-By-Side Fund, L.P.	Series B2 Preferred Shares	10,186	0.04%
Trinity IX Entrepreneurs' Fund, L.P.	Series B2 Preferred Shares	13,339	0.05%
WI Harper INC Fund VI Ltd.	Series B2 Preferred Shares	471,578	1.71%
Matrix Partners China I, L.P.	Series B2 Preferred Shares	1,468,091	5.32%
Meritech Capital Partners III L.P.	Series B2 Preferred Shares	1,323,249	4.80%
Meritech Capital Affiliates III L.P.	Series B2 Preferred Shares	24,118	0.09%
Matrix Partners China I-A, L.P.	Series B2 Preferred Shares	148,749	0.54%
Subtotal	Series B2 Preferred Shares	5,861,046	21.25%
Series C Preferred Shares			
Granite Global Ventures III L.P.	Series C1 Preferred Shares	1,045,760	3.79%
GGV III Entrepreneurs Fund L.P.	Series C1 Preferred Shares	17,004	0.06%
Matrix Partners China I, L.P.	Series C1 Preferred Shares	347,396	1.26%
Matrix Partners China I-A, LP	Series C1 Preferred Shares	35,199	0.13%
SMC Synapse Partners Limited	Series C1 Preferred Shares	350,712	1.27%
Meritech Capital Partners III L.P.	Series C1 Preferred Shares	344,434	1.25%
Meritech Capital Affiliates III LP	Series C1 Preferred Shares	6,278	0.02%
IP Cathay II, L.P.	Series C1 Preferred Shares	265,691	0.96%
CBC IDC Limited	Series C1 Preferred Shares	265,691	0.96%
Trinity Ventures IX, L.P.	Series C1 Preferred Shares	206,814	0.75%
Trinity IX Side by Side Fund, LP	Series C1 Preferred Shares	2,551	0.01%
Trinity IX Entrepreneurs Fund, LP	Series C1 Preferred Shares	3,188	0.01%
Smartpay Company Limited	Series C1 Preferred Shares	212,553	0.77%
WI Harper INC Fund VI Ltd.	Series C1 Preferred Shares	85,022	0.31%
Subtotal	Series C1 Preferred Shares	3,188,293	11.56%
ESOP		3,658,563	13.27%
Total		27,578,714	100%

EXHIBIT D – FORM OF DEED OF ADHERENCE

Date: _____

By this Deed, we, [ ] having our registered office at _____ intending to become a shareholder of 21VIANET GROUP, INC. (the "**Company**"), a company incorporated under the laws of the Cayman Islands, hereby agree with and undertake to the Company and each of its shareholders who are named in the appendix to this Deed, with effect from the date of [transfer to us of [*describe Equity Securities]* by —] [issue by the Company to us of [*describe Equity Securities]*], to observe, comply with and be bound by all of the provisions of the Shareholders' Agreement relating to the Company dated January 14, 2011 (a copy of which has been delivered to us and which we have initialed and attached hereto for identification) (the "**Agreement**") in all respects as if we had been a party to the Agreement and were named therein as a Holder [and Existing Shareholder/Preferred Shareholder] and a party thereto at the date of its execution and on the basis that references therein to a Holder [and Existing Shareholder/Preferred Shareholder] and party thereto include a separate reference to us.

The provisions of Sections 20(c), 20(d), 20(e), 20(f), 20(g), 20(h), 20(i), 20(j) and 20(k) shall apply to this Deed as if they were expressly set out in this Deed.

IN WITNESS WHEREOF this Deed has been executed by us and is intended to be and is hereby delivered on the date appearing at the head hereof.

Executed as a Deed)
)
by)
)
in the presence of:)

Appendix to Deed of Adherence

[List of Shareholders]

EXHIBIT E – PFIC QUESTIONNAIRE

(1) This questionnaire applies to the taxable year of 21ViaNet Group, Inc. ("**Company**") beginning on January 1, [____], and ending on December 31, [____].

(2) PLEASE CHECK HERE IF 75% OR MORE OF THE COMPANY'S GROSS INCOME CONSTITUTES PASSIVE INCOME.

Passive income: For purposes of this test, passive income includes:

- Dividends, interests, royalties, rents and annuities, *excluding*, however, rents and royalties which are received from an unrelated party in connection with the active conduct of a trade or business.
- Net gains from the sale or exchange of property—
    - which gives rise to dividends, interest, rents or annuities (*excluding*, however, property used in the conduct of a banking, finance or similar business, or in the conduct of an insurance business);
    - which is an interest in a trust, partnership, or REMIC; or
    - which does not give rise to income.
- Net gains from transactions in commodities.
- Net foreign currency gains.
- Any income equivalent to interest.

Look-through rule: if the Company owns, directly or indirectly, 25% of the stock by value of another corporation, the Company must take into account its proportionate share of the income received by such other corporation.

(3) PLEASE CHECK HERE IF THE AVERAGE FAIR MARKET VALUE DURING THE TAXABLE YEAR OF PASSIVE ASSETS HELD BY THE COMPANY EQUALS 50% OR MORE OF THE AVERAGE FAIR MARKET VALUE OF ALL OF THE COMPANY'S ASSETS.

Note: This test is applied on a gross basis; no liabilities are taken into account.

Passive Assets: For purposes of this test, "passive assets" are those assets which generate (or are reasonably expected to generate) passive income (as defined above). Assets which generate partly passive and partly non-passive income are considered passive assets to the extent of the relative proportion of passive income (compared to non-passive income) generated in a particular taxable year by such assets. Please note the following:

- A trade or service receivable is non-passive if it results from sales or services provided in the ordinary course of business.

- Intangible assets that produce identifiable items of income, such as patents or licenses, are characterized in terms of the type of income produced.
- Goodwill and going concern value must be identified to a specific income producing activity and are characterized in accordance with the nature of that activity.
- Cash and other assets easily convertible into cash are passive assets, even when used as working capital.
- Stock and securities (including tax-exempt securities) are passive assets, unless held by a dealer as inventory.

Average value: For purposes of this test, "average fair market value" equals the average quarterly fair market value of the assets for the relevant taxable year.

Look-through rule: if the Company owns, directly or indirectly, 25% of the stock by value of another corporation, the Company must take into account its proportionate share of the passive assets of such other corporation.

(4) PLEASE CHECK HERE IF (A) MORE THAN 50% OF THE COMPANY'S STOCK (BY VOTING POWER OR BY VALUE) IS OWNED BY FIVE OR FEWER U.S. PERSONS OR ENTITIES AND (B) THE AVERAGE AGGREGATE ADJUSTED TAX BASES (AS DETERMINED UNDER U.S. TAX PRINCIPLES) DURING THE TAXABLE YEAR OF THE PASSIVE ASSETS HELD BY THE COMPANY EQUALS 50% OR MORE OF THE AVERAGE AGGREGATE ADJUSTED TAX BASES OF ALL OF THE COMPANY'S ASSETS.

Average value: For purposes of this test, "average aggregate adjusted tax bases" equals the average quarterly aggregate adjusted tax bases of the assets for the relevant taxable year.

Look-through rule: if the Company owns, directly or indirectly, 25% of the stock by value of another corporation, the Company must take into account its proportionate share of the passive assets of such other corporation

(5) [PREFERRED SHAREHOLDER] HAS THE FOLLOWING PRO-RATA SHARE OF THE ORDINARY EARNINGS AND NET CAPITAL GAIN OF THE COMPANY AS DETERMINED UNDER U.S. INCOME TAX PRINCIPLES FOR THE TAXABLE YEAR OF THE COMPANY:

Ordinary Earnings: _____ (as determined under U.S. income tax principles)

Net Capital Gain: _____ (as determined under U.S income tax principles)

Pro Rata Share: For purposes of the foregoing, the shareholder's pro rata share equals the amount that would have been distributed with respect to the shareholder's stock if, on each day during the taxable year of the Company, the Company had distributed to each shareholder its pro rata share of that day's ratable share (determined by allocating to each day of the year, an equal amount of the Company's aggregate ordinary earnings and aggregate net capital gain for such year) of the Company's ordinary earnings and net capital gain for such year. Determination of a shareholder's pro rata share will require reference to the Company's charter, certificate of incorporation, articles of association or other comparable governing document.

(6) The amount of cash and fair market value of other property distributed or deemed distributed by Company to [Preferred Shareholder] during the taxable year specified in paragraph 1. is as follows:

Cash: _____

Fair Market Value of Property: _____

(7) Company will permit [Preferred Shareholder] to inspect and copy Company's permanent books of account, records, and such other documents as may be maintained by Company that are necessary to establish that PFIC ordinary earnings and net capital gain, as provided in Section 1293(e) of the U.S. Internal Revenue Code of 1986, as amended (or any successor provision thereto), are computed in accordance with U.S. income tax principles.

EXHIBIT F – FORM OF JOINDER

The undersigned, _____, a _____, hereby joins in the execution of that certain Amended and Restated Shareholders' Agreement dated as of **[_____]** (the "**Agreement**"). By executing this joinder, the undersigned hereby agrees that it is a "Preferred Shareholder" thereunder with the same force and effect as if originally named therein as a Preferred Shareholder. Each reference to a Preferred Shareholder in the Agreement shall be deemed to include the undersigned.

IN WITNESS WHEREOF, the undersigned has executed this joinder as of ____, _____.

[Name of Investor]

By:
Name:
Title:

Exhibit 4.5

Execution Version

Dated February 17, 2011

21VIANET GROUP, INC.

AMENDMENT NO. 1 TO THE AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT DATED JANUARY 14, 2011

This AMENDMENT NO. 1 TO THE AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT (this "Amendment No. 1 to SHA") dated January 14, 2011 is made on February 17, 2011 (the "Effective Date"),

BY AND AMONG

(A) **21VIANET GROUP, INC.**, a company incorporated under the laws of the Cayman Islands (the "**Company**") whose registered office is at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104 Cayman Islands;

(B) The entities whose names are set out in the column designated "**Existing Shareholders**" under Part I of Exhibit A (each an "**Existing Shareholder**" and collectively the "**Existing Shareholders**");

(C) The persons whose names are set out in the column designated "**Founders**" under Part 2 of Exhibit A (each a "**Founder**" and collectively the "**Founders**");

(D) Sunrise Corporate Holding Ltd., a company incorporated under the laws of the British Virgin Islands ("Sunrise") whose registered office is at Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands;

(E) The entities named in Part 1 of Exhibit B as the holders of Series A Preferred Shares (collectively, the "**Series A Preferred Shareholders**");

(F) The entities named in Part 2 of Exhibit B as the holders of Series B Preferred Shares (collectively, the "**Series B Preferred Shareholders**"); and

(G) The entities named in Part 3 of Exhibit B as the holders of Series C Preferred Shares (collectively, the "**Existing Series C Preferred Shareholders**").

(H) The entities named in Part 4 of Exhibit B as the holder of Series C Preferred Shares (the "**New Series C Preferred Shareholder**", together with the Existing Series C Preferred Shareholders, the "**Series C Preferred Shareholder**").

The Series A Preferred Shareholders, Series B Preferred Shareholders and Series C Preferred Shareholders are collectively referred to herein as the "**Preferred Shareholders**" and individually as a "**Preferred Shareholder**").

WHEREAS:

(A) The Company, the Existing Shareholders, the Founders, the Series A Preferred Shareholders, the Series B Preferred Shareholders, and the Existing Series C Preferred Shareholders entered into the Amended and Restated Shareholders Agreement dated January 14, 2011 (the "**Shareholders' Agreement**"), in connection with the purchase and sell of Series C Preferred Shares of the Company;

(B) Pursuant to a written resolutions of the directors of the Company dated December 31, 2010, the Company issued 2,482,609 ordinary shares to Sunrise;

(C) TOA Capital Corporation ("TOA") transferred all of its 944,445 Series A1 Preferred Shares and 505,263 Series B1 Preferred Shares to SMC Synapse Partners Limited ("SMCSP") on January 14, 2011 to the effect that TOA ceased to the shareholder of the Company and SMCSP shall assume all the shareholder's rights and liabilities with respect to the above transferred Series A1 Preferred and Series B1 Preferred Shares;

(D) Pursuant to Section 21 (h) of the Shareholders' Agreement, any term of the Shareholders' Agreement may be amended and the observance of any term of the Shareholders' Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), with the written consent of the parties hereto;

(E) The Company, the Existing Shareholders, the Founders, and the Preferred Shareholders entered into the Amendment No. 1 to the Series C Preferred Shares Subscription Agreement on February [ ], 2011 in connection with the purchase of Series C1 Preferred Shares by the New Series C Preferred Shareholders; and

(F) The Company, the Existing Shareholders, the Founders, the Preferred Shareholders hereto have agreed to amend certain provisions of the Shareholders' Agreement upon and subject to the terms and conditions set out hereinafter.

NOW, IT IS HEREBY AGREED AS FOLLOWS :

1. The parties hereby agree to amend the Shareholder Agreement as follows:

1.1 The definition of "**Series C2 Preferred Shares**" in Section 1(a) shall be deleted in its entirety.

1.2 The definition of "Series C Preferred Shares" in Section 1(a) shall be deleted in its entirety and substituted by the following:

""**Series C Preferred Shares**" means the Series C1 Preferred Shares."

1.3 Section 11 shall be deleted in its entirety and substituted by the following:

"**11. DRAG ALONG RIGHTS**

(a) Subject to the written approval from (i) Holder(s) of not less than 51% of all outstanding Series A Preferred Shares, 51% of all outstanding Series B Preferred Shares and 51% of all outstanding Series C Preferred Shares, each voting as a separate class , in the event of the Company receiving a bona fide offer to purchase all or substantially all of the assets of the Group or all or substantially all of the outstanding shares of the Company (a "Drag Along Transaction"), each Holder hereby agrees to (i) execute all necessary agreements and take all reasonable actions as may be reasonably required in connection with the Drag Along Transaction or the consummation thereof, (ii) sell any shares held by such Holder in the Drag Along Transaction, and (iii) not exercise any dissenter's rights of appraisal that such Holder may otherwise be entitled to with respect to such Drag Along Transaction, provided that the consideration for the Drag Along Transaction shall be cash or publicly free tradable securities."

(b) Notwithstanding Section 11(a), an Investor shall not be required to comply with Section 11(a) above in connection with any proposed Drag Along Transaction unless:

(i) such net proceeds or consideration are to be distributed or paid to the Holders in accordance with the liquidation preference provisions of the Articles;

(ii) the Investor shall receive the same consideration as all other Holders;

(iii) the consideration for the Drag Along Transaction must be all cash or freely-tradable equity securities;

(iv) the only representations, warranties or covenants that an Investor would be required to make are with respect to its ownership of the Company's securities to be sold by it (including its ability to convey title free and clear of liens, encumbrances or adverse claims and reasonable covenants regarding confidentiality, publicity and similar matters);

(v) the liability of the Investor would be several and not joint with respect to any representation and warranty or covenant made by the Company, and such liability would be limited to the Investor's pro rata share of an escrow or other holdback of no more than 10% of the consideration payable to all Holders for a period not to exceed twelve (12) months; provided, however, that the foregoing liability limitation need not apply to such Investor's liability for its own fraud or willful misrepresentation;

(vi) the Investor shall not be required to amend, extend, enter into or terminate any contractual relationship with the Company, the acquirer or their respective affiliates, except for any contract or arrangement which by its own terms provides for an extension, modification or termination upon the consummation of a Drag Along Transaction;

(vii) the Investor shall not be required to agree to any covenant not to compete or covenant not to solicit customers, employees or suppliers of any party to the Drag Along Transaction or other covenant; and

(viii) the Investor shall not be obligated to make any out of pocket expenditure prior to the consummation of the Drag Along Transaction (excluding modest expenditures for postage, copies, etc.), and shall not be obligated to pay any expenses incurred in connection with a consummated Drag Along Transaction, except indirectly to the extent such costs are incurred for the benefit of all of the Company's shareholders and are paid by the Company or the party to such Drag Along Transaction. Costs incurred by or on behalf of such Investor for its sole benefit will not be considered costs of the transaction hereunder.

In addition, any amendments to or waivers of the drag-along provisions must require each Investor's consent.

1.4 Section 13 (b) shall be deleted in its entirety and substituted by the following:

"(b) A representative of Sheng Chen, a representative of Asuka DBJ Partners Co., Ltd. and So-net Entertainment Corporation, a representative of IP Cathay One, L.P., a representative of Trinity Ventures IX, L.P., Trinity IX Side-By-Side Fund, L.P. and Trinity IX Entrepreneurs' Fund, L.P., and a representative of Meritech Capital Partners III L.P. and Meritech Capital Affiliates III L.P., shall be entitled to attend as an observer with no voting rights to all Board meetings of the Company (each an "**Observer**"), for so long as the abovementioned individual or entities hold, directly or indirectly any Equity Securities. In addition to the foregoing, Cisco Systems, Inc. shall be entitled to appoint a representative to attend as an observer with no voting rights to all Board meetings of the Company (the "**Cisco Observer**") pursuant to the terms of Board Observer Letter between the Company and Cisco Systems, Inc. Any additional Observer shall be subject to approval by the Chairman of the Board. The Company shall provide to each Observer (and shall cause each other Group Company to provide to each Observer), concurrently with the members of the Board, notice of each meeting thereof or of any committee thereof, and a copy of all materials provided to such members. All Observers shall be retired on or prior to the consummation of a Qualified IPO or an initial public offering of the Ordinary Shares other than a Qualified IPO approved by the Board in accordance with the provisions of this Agreement (an "**IPO**")."

1.5 Section 14(a)(ii)(1) shall be deleted in its entirety and substituted by the following:

"SMC Synapse Partners Limited and its affiliates shall have the rights to appoint one director, who shall initially be Yoshihisa Ueno, so long as SMC Synapse Partners Limited and its affiliates together hold more than 3% of total issued and outstanding shares in the Company;"

1.6 A new Section 14(h) shall be added and shall read in its entirety as follows:

"Waiver. The Company acknowledges that each Preferred Shareholder will likely have, from time to time, information that may be of interest to the Company or any of its subsidiaries ("**Information**") regarding a wide variety of matters including, by way of example only, (1) an Preferred Shareholder's technologies, plans and services, and plans and strategies relating thereto, (2) current and future investments the Preferred Shareholder has made, may make, may consider or may become aware of with respect to other companies and other technologies, products and services, including, without limitation, technologies, products and services that may be competitive with those of the Company or its subsidiaries, and (3) developments with respect to the technologies, products and services, and plans and strategies relating thereto, of other companies, including, without limitation, companies that may be competitive with the Company or any of its subsidiaries. The Company recognizes that a portion of such Information may be of interest to the Company or any of its subsidiaries. Such Information may or may not be known by the Preferred Directors or the Observers. The Company, as a material part of the consideration for entering into the Series C Preferred Shares Subscription Agreement and this Agreement, agrees that neither the Observer nor the Preferred Directors shall have any duty to disclose any Information to the Company or its subsidiaries, or permit the Company or any of its subsidiaries to participate in any projects or investments based on any Information, or to otherwise take advantage of any opportunity that may be of interest to the Company or any of its subsidiaries if it were aware of such Information, and hereby waives, to the extent permitted by law, any claim based on the corporate opportunity doctrine or otherwise that could limit the Investor's ability to pursue opportunities based on such Information or that would require any Preferred Shareholder, any Preferred Director or any Observer to disclose any such Information to the Company or any of its subsidiaries or offer any opportunity relating thereto to the Company or any of its subsidiaries. The Existing Shareholders, the Founders and the Company hereby irrevocably agree that the Preferred Directors and Observers are nominees of the Preferred Shareholder who appoints him and that the Preferred Directors and Observers shall be entitled to, and the Preferred Shareholder who nominates him can require him to, report all matters concerning the Company and its Subsidiaries, including but not limited to, matters discussed at any meeting of the Board, and that the Preferred Directors and Observers may take advice and obtain instructions from his/her nominating Preferred Shareholder; provided that nothing herein shall relieve the nominating Preferred Shareholder of its confidentiality obligations herein and in the Series C Preferred Shares Subscription Agreement."

1.7 A new Section 20(p) shall be added to the Shareholders' Agreement to be read in its entirety as follows:

"20 (p) Conflict with Articles.

In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the Articles or other constitutional documents, the terms of this Agreement shall prevail as between the shareholders of the Company only. The Preferred Shareholders and the holders of the Common Stock of the Company shall, notwithstanding the conflict or inconsistency, act so as to effect the intent of this Agreement to the greatest extent possible under the circumstances and shall promptly amend the conflicting constitutional documents to conform to this Agreement to the greatest extent possible."

1.8 The following exhibit to the Shareholders' Agreement shall be deleted in their entirety and substituted by the exhibits as attached hereto:

Exhibit B - List of Preferred Shareholders

Exhibit C - Shareholdings as of the date of this Agreement

2. The amendments contained in this Amendment No. 1 to SHA shall take effect from the Effective Date. Save as expressly amended pursuant to this Amendment No. 1 to SHA, all terms and conditions of the Shareholders Agreement shall remain unchanged and shall continue in full force and effect.

3. The following provisions in the Agreement, namely, "Notice" (Section 21(d)) "Counterparts" (Section 21(m)) and "Governing Law" (Section 21(k)) shall apply, mutatis mutandis, to this Amendment No. 1 to SHA.

[Signature pages follow]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Amended and Restated Shareholders' Agreement as of the date first above written.

21VIANET GROUP, INC.
The offices of Maples Corporate Services Limited, PO Box 309, Ugland House Grand Cayman, KY1-1104 Cayman Islands

By: **/s/ Sheng Chen**
Name: Sheng Chen
Title: Chairman and Chief Execution Officer

[AMENDMENT NO. 1 TO AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Amended and Restated Shareholders' Agreement as of the date first above written.

SHENG CHEN
c/o B28C, UBP, 10 Jiuxianqiao Road
Chaoyang District, 100016 China
Fax : 86-10-8456-4234

/s/ Sheng Chen

JUN ZHANG
c/o B28C, UBP, 10 Jiuxianqiao Road
Chaoyang District, 100016 China
Fax: 86-10-8456-4234

/s/ Jun Zhang

[AMENDMENT NO. 1 TO AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Amended and Restated Shareholders' Agreement as of the date first above written.

Purple Communications Limited
The offices of Maples Corporate Services Limited
P. O. Box 309, Ugland House
Grand Cayman, KY1-1104 Cayman Islands
Fax: 1-408-970-3316

By: /s/ Sherman Tuan
Name: Sherman Tuan
Title: Director

[AMENDMENT NO. 1 TO AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Amended and Restated Shareholders' Agreement as of the date first above written.

U-MEDIA Holdings Inc.
P. O. Box 957, Offshore Incorporations Centre, Road Town, Tortola
British Virgin Islands
Fax: 852-2537-6006

By: **/s/ U-MEDIA Holdings Inc.**
Name:
Title:

[AMENDMENT NO. 1 TO AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Amended and Restated Shareholders' Agreement as of the date first above written.

Smartpay Company Limited
Omar Hodge Building, Wickhams Cay I
P. O. Box 362, Road Town
Tortola, British Virgin Islands
Fax: 852-8107-0606

By: /s/ Smartpay Company Limited
Name:
Title:

[AMENDMENT NO. 1 TO AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Amended and Restated Shareholders' Agreement as of the date first above written.

Fast Horse Technology Limited
P. O. Box 957, Offshore Incorporations Centre, Road Town, Tortola
British Virgin Islands
Fax: 86-10-8456-4234

By: /s/ Sheng Chen
Name: Sheng Chen
Title: Authorized Signatory

[AMENDMENT NO. 1 TO AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Amended and Restated Shareholders' Agreement as of the date first above written.

CBC IDC Limited
90 Main Street, P. O. Box 3099, Road Town, Tortola, British Virgin Islands

By: /s/ Ying Zhang
Name: Ying Zhang
Title:

[AMENDMENT NO. 1 TO AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Amended and Restated Shareholders' Agreement as of the date first above written.

IP Cathay One, L.P.
P.O. Box 933, 2nd Floor, Abbott Building, Road Town
Tortola, British Virgin Islands

By: /s/ Richard Chang
Name: Richard Chang
Title: Founding Managing Partner

[AMENDMENT NO. 1 TO AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Amended and Restated Shareholders' Agreement as of the date first above written.

Asuka DBJ Partners Co., Ltd.
as general partner of Asuka DBJ Investment LPS
11F Ark Mori Building, Akasaka 1-12-32
Minato-ku, Tokyo, 107-6011, Japan

By: /s/ Toshihiro Toyoshima
Name: Toshihiro Toyoshima
Title: CEO

[AMENDMENT NO. 1 TO AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Amended and Restated Shareholders' Agreement as of the date first above written.

Riselink Venture Capital Corp.
11F-1, No. 89, Sung-Jen Road, 110, Taipei, Taiwan, Republic of China

By: /s/ Sharon Liao
Name: Sharon Liao
Title: Managing Director

Parawin Venture Capital Corp.
11F-1, No. 89, Sung-Jen Road, 110, Taipei, Taiwan, Republic of China

By: /s/ Sharon Liao
Name: Sharon Liao
Title: Managing Director

Sinolinks Venture Capital Corp.
11F-1, No. 89, Sung-Jen Road, 110, Taipei, Taiwan, Republic of China

By: /s/ Sharon Liao
Name: Sharon Liao
Title: Managing Director

[AMENDMENT NO. 1 TO AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Amended and Restated Shareholders' Agreement as of the date first above written.

HUA VII Venture Capital Corporation
17th - 1F, No. 105, Tun-Hwa South Road,
Sec. 2, Taipei, Taiwan, Republic of China

By: /s/ Richard Chen
Name: Richard Chen
Title:

[AMENDMENT NO. 1 TO AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Amended and Restated Shareholders' Agreement as of the date first above written.

Vincera Growth Capital I Limited
17th - 1F, No. 105, Tun-Hwa South Road
Sec. 2, Taipei, Taiwan, Republic of China

By: /s/ Richard Chen
Name: Richard Chen
Title:

[AMENDMENT NO. 1 TO AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Amended and Restated Shareholders' Agreement as of the date first above written.

China Resources Development Company Limited
7/F, Jade Center, 98 Wellington Street Central, Hong Kong

By: /s/ China Resources Development Company Limited
Name:
Title:

[AMENDMENT NO. 1 TO AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Amended and Restated Shareholders' Agreement as of the date first above written.

SO-NET Entertainment Corporation
ThinkPark Tower, 2-1-1 Osaki
Shinagawa-ku, Tokyo, 141-6010, Japan

By: /s/ Hiroki Totoki
Name: Hiroki Totoki
Title: Executive Vice President

[AMENDMENT NO. 1 TO AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Amended and Restated Shareholders' Agreement as of the date first above written.

Jessy Assets Limited
Trident Chambers, PO Box 146, Road Town Tortola, British Virgin Islands

By: /s/ Yvonne Leung
Name: Yvonne Leung
Title: Manager

[AMENDMENT NO. 1 TO AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Amended and Restated Shareholders' Agreement as of the date first above written.

Granite Global Ventures III L.P.
2494 Sand Hill Road, Suite 100, Menlo Park CA94025,
United States of America

By: Granite Global Ventures III L.L.C.,
its General Partner

By: /s/ Hany Nada
Name: Hany Nada
Title: Managing Director

GGV III Enterprises Fund L.P.
2494 Sand Hill Road, Suite 100, Menlo Park CA94025,
United States of America

By: Granite Global Ventures III L.L.C.,
its General Partner

By: /s/ Hany Nada
Name: Hany Nada
Title: Managing Director

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Amended and Restated Shareholders' Agreement as of the date first above written.

Trinity Ventures IX L.P.
3000 Sand Hill Road, Building 4, Suite 160,
Menlo Park, CA 94025
United States of America

By: Trinity TVL IX, L.L.C.,
its General Partner

By: /s/ Kathleen A. Murphy
Name: Kathleen A. Murphy
Title: Member, Trinity TVL IX, LLC

Trinity IX Side-By-Side Fund, L.P.
3000 Sand Hill Road, Building 4, Suite 160,
Menlo Park, CA 94025
United States of America

By: Trinity TVL IX, L.L.C.,
its General Partner

By: /s/ Kathleen A. Murphy
Name: Kathleen A. Murphy
Title: Member, Trinity TVL IX, LLC

Trinity IX Entrepreneurs' Fund, L.P.
3000 Sand Hill Road, Building 4, Suite 160,
Menlo Park, CA 94025
United States of America

By: Trinity TVL IX, L.L.C.,
its General Partner

By: /s/ Kathleen A. Murphy
Name: Kathleen A. Murphy
Title: Member, Trinity TVL IX, LLC

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Amended and Restated Shareholders' Agreement as of the date first above written.

Matrix Partners China I, L.P.
c/o Maples Corporate Services Limited
P.O. Box 309 Ugland House,
Grand Cayman, KY1-1104, Cayman Islands

By: Matrix China Management I, L.P.
its General Partner

By: Matrix China I GP GP, Ltd.
its General Partner

By: /s/ Matrix Partners China I, L.P .
Print Name:
Title:

Matrix Partners China I-A, L.P.
c/o Maples Corporate Services Limited
P.O. Box 309 Ugland House,
Grand Cayman, KY1-1104, Cayman Islands

By: Matrix China Management I, L.P.
its General Partner

By: Matrix China I GP GP, Ltd.
its General Partner

By: /s/ Matrix Partners China I-A, L.P.
Print Name:
Title:

[AMENDMENT NO. 1 TO AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Amended and Restated Shareholders' Agreement as of the date first above written.

Meritech Capital Partners III L.P.
245 Lytton Ave., Suite 350
Palo Alto, CA 94301
United States of America

By: Meritech Capital Associates III L.L.C.
its General Partner

By: Meritech Management Associates III L.L.C.
a managing member

By: /s/ Paul S. Madera
Name: Paul S. Madera
Title: Managing Director

Meritech Capital Affiliates III L.P.
245 Lytton Ave., Suite 350
Palo Alto, CA 94301
United States of America

By: Meritech Capital Associates III L.L.C.
its General Partner

By: Meritech Management Associates III L.L.C.
a managing member

By: /s/ Paul S. Madera
Name: Paul S. Madera
Title: Managing Director

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Amended and Restated Shareholders' Agreement as of the date first above written.

WI HARPER INC FUND VI LTD.
10F-2, 76 Tin Hue South Road, Section 2 Taipei, 106 Taiwan

By: /s/ Peter Liu
Name: Peter Liu
Title: Chairman

[AMENDMENT NO. 1 TO AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Amended and Restated Shareholders' Agreement as of the date first above written.

IP CATHAY II, L.P.
c/o 7F., No. 122, Dunhua N. Rd.
Taipei 10595, Taiwan

By: /s/ Richard Chang
Name: Richard Chang
Title: Founding Managing Partner

[AMENDMENT NO. 1 TO AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Amended and Restated Shareholders' Agreement as of the date first above written.

SMC SYNAPSE PARTNERS LIMITED
P.O Box 957
Offshore Incorporation Center
Road Town, Tortola, British Virgin Island

By: /s/ Ueno Yoshihisa
Name: Ueno Yoshihisa
Title: General Partner

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Amended and Restated Shareholders' Agreement as of the date first above written.

Sunrise Corporate Holding Ltd.
P.O Box 957
Kingston Chambers Po Box 173, Road Town, Tortola,
British Virgin Islands

By: /s/ Sheng Chen
Name: Sheng Chen
Title:

[AMENDMENT NO. 1 TO AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Amended and Restated Shareholders' Agreement as of the date first above written.

Cisco Systems, Inc.

By: /s/ Hans Albers
Name: Hans Albers
Title: Managing Director

[AMENDMENT NO. 1 TO AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT SIGNATURE PAGE]

EXHIBIT A – SCHEDULE OF INVESTORS

Part I

Name of Investor	Registered Office of Investor
Granite Global Ventures III L.P.	2494 Sand Hill Road, Suite 100, Menlo Park, CA 94025, United States of America
GGV III Entrepreneurs Fund L.P.	2494 Sand Hill Road, Suite 100, Menlo Park, CA 94025, United States of America
Trinity Ventures IX, L.P.	3000, Sand Hill Road, Building 4, Suite 160, Menlo Park, CA 94025, United States of America
Trinity IX Side-By-Side Fund, L.P.	3000, Sand Hill Road, Building 4, Suite 160, Menlo Park, CA 94025, United States of America
Trinity IX Entrepreneurs' Fund, L.P.	3000, Sand Hill Road, Building 4, Suite 160, Menlo Park, CA 94025, United States of America
Matrix Partners China I, L.P.	the office of M&C Corporate Services Limited, P.O. Box 309 Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands
Matrix Partners China I-A, L.P.	the office of M&C Corporate Services Limited, P.O. Box 309 Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands
SMC Synapse Partners Limited	P.O Box 957, Offshore Incorporation Center, Road Town Tortola, British Virgin Island
Meritech Capital Partners III L.P.	245 Lytton Ave., Suite 350, Palo Alto, CA94301, United States of America
Meritech Capital Affiliates III L.P.	245 Lytton Ave., Suite 350, Palo Alto, CA94301, United States of America
IP Cathay II, L.P.	c/o 7F., No. 122, Dunhua N. Rd., Taipei 10595, Taiwan
CBC IDC Limited	90 Main Street, P. O. Box 3099, Road Town, Tortola, British Virgin Islands
Smartpay Company Limited	Omar Hodge Building, Wickhams Cay I, P. O. Box 362, Road Town, Tortola, British Virgin Islands
WI Harper INC Fund VI Ltd.	P.O. Box 309 GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands

Part II

Cisco Systems, Inc.	170 West Tasman Drive, San Jose, California, the United States of America

EXHIBIT B – LIST OF PREFERRED SHAREHOLDERS

Part 1

Series A Preferred Shareholder	Equity Securities
CBC IDC Limited	Series A1 Preferred Shares
IP Cathay One, L.P.	Series A1 Preferred Shares
Asuka DBJ Partners Co., Ltd. As general partner of Asuka DBJ Investment LPS	Series A1 Preferred Shares
Riselink Venture Capital Corp.	Series A1 Preferred Shares
Parawin Venture Capital Corp.	Series A1 Preferred Shares
Sinolinks Venture Capital Corp.	Series A1 Preferred Shares
Hua VII Venture Capital Corporation	Series A1 Preferred Shares
Vincera Growth Capital I Limited	Series A1 Preferred Shares
China Resources Development Company Limited	Series A1 Preferred Shares
So-net Entertainment Corporation	Series A1 Preferred Shares
Jessy Assets Limited	Series A2 Preferred Shares
Jessy Assets Limited	Series A3 Preferred Shares

Part 2

Series B Preferred Shareholder	Equity Securities
IP Cathay One, L.P.	Series B1 Preferred Shares
So-net Entertainment Corporation	Series B1 Preferred Shares
Asuka DBJ Partners Co., Ltd. as general partner of Asuka DBJ Investment LPS	Series B1 Preferred Shares
Granite Global Ventures III L.P.	Series B2 Preferred Shares
GGV III Entrepreneurs Fund L.P.	Series B2 Preferred Shares
Trinity Ventures IX, L.P.	Series B2 Preferred Shares
Trinity IX Side-By-Side Fund, L.P.	Series B2 Preferred Shares
Trinity IX Entrepreneurs' Fund, L.P.	Series B2 Preferred Shares
WI Harper INC Fund VI Ltd.	Series B2 Preferred Shares
Matrix Partners China I, L.P.	Series B2 Preferred Shares
Meritech Capital Partners III L.P.	Series B2 Preferred Shares
Meritech Capital Affiliates III L.P.	Series B2 Preferred Shares
Matrix Partners China I-A, L.P.	Series B2 Preferred Shares

Part 3

Series C Preferred Shareholder	Equity Securities
Granite Global Ventures III L.P.	Series C1 Preferred Shares
GGV III Entrepreneurs Fund L.P.	Series C1 Preferred Shares
Trinity Ventures IX, L.P.	Series C1 Preferred Shares
Trinity IX Side-By-Side Fund, L.P.	Series C1 Preferred Shares
Trinity IX Entrepreneurs' Fund, L.P.	Series C1 Preferred Shares
Matrix Partners China I, L.P.	Series C1 Preferred Shares
Matrix Partners China I-A, L.P.	Series C1 Preferred Shares
SMC Synapse Partners Limited	Series C1 Preferred Shares
Meritech Capital Partners III L.P.	Series C1 Preferred Shares
Meritech Capital Affiliates III L.P.	Series C1 Preferred Shares
IP Cathay II, L.P.	Series C1 Preferred Shares

CBC IDC Limited	Series C1 Preferred Shares
Smartpay Company Limited	Series C1 Preferred Shares
WI Harper INC Fund VI Ltd.	Series C1 Preferred Shares

Part 4

Series C Preferred Shareholder	**Equity Securities**
Cisco Systems, Inc.	Series C1 Preferred Shares

EXHIBIT C – SHAREHOLDINGS AS OF THE DATE OF THIS AGREEMENT

Shareholders	Number of Shares	% of Ownership
Ordinary Shares		
Purple Communications Limited	1,785,000	6.35%
U-Media Holdings, Inc.	1,706,316	6.07%
Smartpay Company Limited	1,111,316	3.95%
Fast Horse Technology Limited	2,550,000	9.07%
Sunrise	2,482,609	8.83%
Subtotal	**9,635,241**	**34.28%**
Series A		
SMC Synapse Partners Limited	944,445	3.36%
CBC IDC Limited	377,778	1.34%
IP Cathay One, L.P.	566,667	2.02%
Asuka DBJ Partners Co., Ltd.	340,001	1.21%
Riselink Venture Capital Corp.	188,889	0.67%
Parawin Venture Capital Corp.	94,444	0.34%
Sinolinks Venture Capital Corp.	56,667	0.20%
Hua VII Venture Capital Corporation	113,333	0.40%
Vincera Growth Capital I Limited	75,556	0.27%
China Resources Development Company Limited	245,556	0.87%
So-net Entertainment Corporation	37,777	0.13%
Subtotal	**3,041,113**	**10.82%**
Series A2&A3		
Jessy Assets Limited Series A2 Shares	594,458	2.11%
Jessy Assets Limited Series A3 Shares	505,263	1.80%
Subtotal	**1,099,721**	**3.91%**
Series B		
SMC Synapse Partners Limited	505,263	1.80%
IP Cathay One, L.P.	505,263	1.80%
So-net Entertainment Corporation	33,684	0.12%
Asuka DBJ Partners Co., Ltd. As general partner of Asuka DBJ investment LPS	50,527	0.18%
Granite Global Ventures III L.P.	1,590,971	5.66%
GGV III Entrepreneurs Fund L.P.	25,870	0.09%
Trinity Ventures IX, L.P.	784,895	2.79%
Trinity IX Side-By-Side Fund, L.P.	10,186	0.04%
Trinity IX Entrepreneurs' Fund, L.P.	13,339	0.05%
WI Harper	471,578	1.68%
Matrix Partners	1,468,091	5.22%
MCP III	1,323,249	4.71%
MCA III	24,118	0.09%
Matrix Partners China I-A,L.P.	148,749	0.53%
Subtotal	**6,955,783**	**24.74%**
Series C		
Granite Global Ventures III LP	1,045,760	3.72%

GGV III Entrepreneurs Fund LP	17,004	0.06%
Other existing investors		
Matrix Partners China I, LP	347,396	1.24%
Matrix Partners China I-A, LP	35,199	0.13%
SMC Synapse Partners Limited	350,712	1.25%
Meritech Capital Partners III LP	344,434	1.23%
Meritech Capital Affiliates III LP	6,278	0.02%
IP Cathay	265,691	0.95%
CBC	265,691	0.95%
Trinity Ventures IX, LP	206,814	0.74%
Trinity IX Side by Side Fund, LP	2,551	0.01%
Trinity IX Entrepreneurs Fund, LP	3,188	0.01%
Smartpay	212,553	0.76%
WI Harper	85,022	0.30%
Cisco Systems	531,382	1.89%
Subtotal	**3,719,675**	**13.23%**
ESOP	3,658,563	13.02%
Total	28,110,096	100.00%

Exhibit 4.6

EXECUTION VERSION

Dated this 14th day of January, 2011

21VIANET GROUP, INC.

AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT

TABLE OF CONTENTS

This AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT (this "Agreement") dated this 14th day of January, 2011 is made

BY AND BETWEEN

(A) 21Vianet Group, Inc., a company incorporated under the laws of the Cayman Islands (the "**Company**") whose registered office is at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104 Cayman Islands; and

(B) The entities whose names and registered offices are set out in Exhibit A (each an "**Preferred Shareholder**" and collectively the "**Preferred Shareholders**").

RECITALS

WHEREAS, the Preferred Shareholders, the Company and certain other existing shareholders of the Company are parties to the Registration Rights Agreement, dated October 31, 2010 (the "**Prior Agreement**"), which governs the registration rights of the Preferred Shareholders to cause the Company to register Ordinary Shares issued or issuable to them and certain other matters as set forth therein in the event that the Company shall determine a Qualified IPO shall occur in the U.S.

WHEREAS certain Preferred Shareholders (collectively, the "**Series C Investors**") and the Company have entered into a Series C Preferred Shares Subscription Agreement on or about the date hereof (the "**Subscription Agreement**"), pursuant to which the Series C Investors subscribed for Series C Preferred Shares in the amounts set forth in the Subscription Agreement.

WHEREAS, in connection with the closing of the Subscription Agreement, the parties hereto desire to amend and restate the Prior Agreement as set forth herein to govern the registration rights of the Preferred Shareholders.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the parties hereto agree as follows:

1. DEFINITIONS

(a) In this Agreement, including the Recitals and exhibits (which form part of this Agreement), the following expressions, except where the context otherwise requires, shall have the following meanings:

"Exchange Act"

means the U.S. Securities Exchange Act of 1934, as amended.

"Form F-3"

means Form F-3 or such other form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC that permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

"Founders"

means Sheng Chen and Jun Zhang.

"Group Company"

means the Company or any of its Subsidiaries.

"Holder"

means any person owning or having the right to acquire Registrable Securities or any assignee thereof in accordance with Section 2.9 hereof.

"Hong Kong"

means the Hong Kong Special Administrative Region of the People's Republic of China.

"Listing Vehicle"

means the appropriate corporate vehicle other than the Company adopted for a Qualified IPO.

"Ordinary Shares"

means shares in the capital of the Company of US$0.0001 par value designated as Ordinary Shares and having the rights provided for in the Second Amended and Restated Memorandum and Articles of Association of the Company.

"Preferred Shares"

means the Series A Preferred Shares, Series B Preferred Shares and Series C Preferred Shares held by the Preferred Shareholders and their permitted assigns.

"Qualified IPO"

means an underwritten initial public offering of Ordinary Shares that has been registered under the Securities Act, or comparable securities laws and regulations of any non-U.S. jurisdiction and on a stock exchange that is to the satisfaction of the Board of Directors with post money valuation of no less than US$ 400 million and for gross proceeds of at least US$80 million (including primary and secondary shares if any).

"register", "registered" and "registration"

refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Securities Act, and the declaration or ordering of effectiveness of such registration statement or document.

"Registrable Securities"

means (i) the Ordinary Shares issuable or issued upon conversion of the Preferred Shares, (ii) any Ordinary Shares issued (or issuable upon the conversion or exercise of any warrant, right or other security that is issued) by way of a share dividend or other distribution, or share split, or in connection with a combination of shares, recapitalisation, merger, consolidation or other reorganization with respect to, or in exchange for, or in replacement of, the Preferred Shares and (iii) any other Ordinary Shares acquired by the Preferred Shareholders after the date hereof; *provided*, *however*, that Registrable Securities shall not include any (a) Ordinary Shares that may be sold pursuant to an effective registration statement, (b) Ordinary Shares that have previously been sold to the public, (c) securities that would otherwise be Registrable Securities held by a Holder who is then permitted to sell all of such securities (other than Registrable Securities held by a Holder owning greater than 1% of the company's share capital who would otherwise be able to sell all of such Ordinary Shares pursuant to Rule 144) within any three (3) month period following the Company's Qualified IPO pursuant to Regulation S or Rule 144 or (d) which have been sold in a private transaction in which the transferor's registration rights under this Agreement are not assigned pursuant to Section 2.9 hereof.

"Regulation S"

means Regulation S adopted by the SEC pursuant to the Securities Act.

"Rule 144"

means Rule 144 adopted by the SEC pursuant to the Securities Act.

"SEC"

means the U.S. Securities and Exchange Commission.

"Securities Act"

means the U.S. Securities Act of 1933, as amended.

"Series A Preferred Shares"

means the Series A1 Preferred Shares, Series A2 Preferred Shares and Series A3 Preferred Shares of US$0.0001 par value each in the capital of the Company and each having the rights provided for in the Second Amended and Restated Memorandum and Articles of Association of the Company.

"Series B Preferred Shares"

means the redeemable Series B1 Preferred Shares and redeemable Series B2 Preferred Shares of US$0.0001 par value each in the capital of the Company and each having the rights provided for in the Second Amended and Restated Memorandum and Articles of Association of the Company.

"Series C Preferred Shares"

means the redeemable Series C Preferred Shares of US$0.0001 par value each in the capital of the Company and each having the rights provided for in the Second Amended and Restated Memorandum and Articles of Association of the Company.

"Subsidiary"

means any subsidiary of the Company within the meaning ascribed to it under Section 2 of the Companies Ordinance (Chapter 32 of the laws of Hong Kong).

"US$"

means the lawful currency of the U.S.

"U.S."

means the United States of America.

(b) (i) words in the singular shall include the plural, and vice versa; and reference to one gender shall include all genders;

(ii) a reference to a person shall include a reference to a firm, a corporation, an unincorporated association or to a person's executors or administrators;

(iii) a reference to a section, sub-section and exhibit shall be a reference to a section, sub-section and exhibit (as the case may be) of or to this Agreement;

(iv) references to any legal term for any action, remedy, proceeding, legal document, legal status, court, official or any legal concept or thing shall in respect of any jurisdiction other than Hong Kong be deemed to include what most nearly approximates in that jurisdiction to the Hong Kong legal term; and

(v) any obligation or liability of a party hereto under this Agreement shall be the several obligation or liability of such party but not the joint obligation or liability of the other parties hereto.

2. REGISTRATION RIGHTS

2.1 ***Demand Registration Rights***

(a) Subject to the limitations set forth in this Section 2.1, if the Company receives a written request from a Preferred Shareholder (the "**Demand Investor**") specifying the approximate number of Registrable Securities requested to be registered and the anticipated per share price range for such offering, requesting the Company file a registration statement under the Securities Act covering the registration of all or a portion of Registrable Securities then outstanding with an aggregate public offering price of at least US$2,000,000, then the Company shall, as soon as practicable, and in any event within 90 days of receipt of such request, file such registration and permit or facilitate the sale and distribution of all or such portion of the Registrable Securities as are specified in such request. All registrations requested pursuant to this Section 2.1 are referred to herein as "**Demand Registrations**." Within ten (10) days after receipt of any such request, the Company shall give written notice of such requested registration to all other holders of Registrable Securities and shall include as part of such Demand Registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within fourteen (14) days after the receipt of the Company's notice.

(b) The Company shall use commercially reasonable efforts to cause such registration statement to be declared effective by the SEC as soon as practicable.

(c) If the Demand Investor intends to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 2.1. The underwriter shall be selected by the Demand Investor and shall be reasonably acceptable to the Company. In such event, the right of a Preferred Shareholder to include securities in such registration pursuant to Section 2.1(a) shall be conditioned upon such Preferred Shareholder's participation in such underwriting and the inclusion of its Registrable Securities in the underwriting to the extent provided herein and the Demand Investor (together with the Company and other Holders proposing to distribute securities through such underwriting (if any)) enter into an underwriting agreement in customary form with the underwriter(s) selected for such underwriting by the Demand Investor.

(d) If a Demand Registration is an underwritten offering and the managing underwriters advise the Company in writing that in their opinion the number of Registrable Securities requested to be included in such offering exceeds the number of Registrable Securities which can be sold therein without adversely affecting the marketability of the offering and within a price range acceptable to the holders of not less than two-thirds (2/3) of the Registrable Securities initially requesting registration, the Company shall include in such registration the number of Registrable Securities requested to be included which in the opinion of such underwriters can be sold without adversely affecting the marketability of the offering, pro rata among the respective holders thereof on the basis of the amount of the Registrable Securities owned by each such holder; provided that any Registrable Securities issued or issuable upon conversion of the Preferred Shares shall be included, pro rata as amongst the holders thereof, in priority to any other Registrable Securities. Any Registrable Securities excluded or withdrawn from such underwriting shall be withdrawn from the registration.

(e) The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to this Section 2.1 demanded by a Demand Investor:

(i) prior to the earlier of (A) December 31, 2014, or (B) one hundred eighty (180) days following the effective date of the registration statement filed in connection with the Company's Qualified IPO;

(ii) in any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(iii) after the Company has effected three (3) registrations pursuant to this Section 2.1 demanded by the same Demand Investor, and such registrations have been declared or ordered effective;

(iv) during the period starting with the date sixty (60) days prior to the Company's good faith estimate of the date of the filing of, and ending on a date one hundred eighty (180) days following the effective date of, a Company-initiated registration, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective;

(v) if the Demand Investor proposes to dispose of Registrable Securities that may be registered as soon as practicable on Form F-3 pursuant to Section 2.3 hereof; or

(vi) if the Company shall furnish to the Demand Investor a certificate signed by the Company's Chief Executive Officer or Chairman of the Board stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its shareholders for such registration statement to be filed at such time, in which event the Company shall have the right to defer taking action with respect to such filing for a period of not more than ninety (90) days after receipt of the request of the Demand Investor; *provided*, *however*, that such right to delay a request shall be exercised by the Company not more than once in any twelve (12) month period in relation to the same Demand Investor; *provided*, *further*, that the Company shall not register any securities for the account of itself or any other shareholder during such ninety (90) day period, other than a registration relating to (i) the sale of securities to officers, directors and employees of, or consultants to, any Group Company pursuant to share grants, option plans, purchase plans or other employee share incentive programs or arrangements, (ii) a reclassification of securities, corporate reorganization or other transaction under Rule 145 of the Securities Act (or such applicable securities laws in the relevant jurisdiction), (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities, or (iv) a registration in which the only Ordinary Shares being registered are Ordinary Shares issuable upon conversion of debt securities that are also being registered (an "**Exempt Registration**").

2.2 ***Piggyback Registration Rights***

(a) If (without any obligation to do so) the Company proposes to register (including for this purpose a registration effected by the Company for shareholders other than the Preferred Shareholders) any of its shares or other securities under the Securities Act or such applicable securities laws in the relevant jurisdiction in connection with the public offering of such securities (other than an Exempt Registration), the Company shall (i) promptly give the Preferred Shareholders written notice of such registration, and (ii) use commercially reasonable efforts to cause to be included in such registration, subject to the provisions of Section 2.2(c), all of such Registrable Securities as are specified in a written request or requests made by any Preferred Shareholder received by the Company within fifteen (15) days after such written notice from the Company is mailed. Such written request for inclusion may specify all or part of such Preferred Shareholder's Registrable Securities.

(b) The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2.2 prior to the effectiveness of such registration whether or not any Preferred Shareholder has elected to include securities in such registration. The expenses of such withdrawn registration shall be borne by the Company.

(c) Underwriting.

(i) If the registration of which the Company gives notice is for a registered public offering involving an underwriting, the Company shall so advise the Preferred Shareholders as part of the written notice given pursuant to Section 2.2(a) above. In such event, the right of a Preferred Shareholder to include securities in such registration pursuant to this Section 2.2 shall be conditioned upon such Preferred Shareholder's participation in such underwriting and the inclusion of its Registrable Securities in the underwriting to the extent provided herein and such Preferred Shareholder (together with the Company and other Holders proposing to distribute securities through such underwriting (if any)) enter into an underwriting agreement in customary form with the underwriter(s) selected for such underwriting by the Company.

(ii) Notwithstanding any other provision of this Section 2.2, if the underwriter in good faith determines that marketing factors require a limitation of the number of shares to be underwritten, then the number of Registrable Securities that may be included in the registration and underwriting on behalf of the Company and the Holders shall be allocated in the following priority:

a) first, to the Company;

b) second, to the Preferred Shareholders in priority to all other shareholders of the Company but pro rata among themselves on the basis of the respective number of shares of their Registrable Securities which they had requested to be included in such registration and underwriting; *provided*, *however*, that if such registration is the Company's Qualified IPO, the underwriter may, upon a reasonable, good faith determination, exclude all of the Preferred Shareholders' Registrable Securities from such registration; *provided*, *however*, that the number of shares of Registrable Securities to be included in such underwriting and registration shall not be reduced unless all other securities are first entirely excluded from the underwriting and registration including, without limitation, all shares that are not Registrable Securities and are held by any other person, including, without limitation, any person who is an employee, officer or director of the Company or any subsidiary of the Company; *provided*, *further*, that if such registration is other than the Company's Qualified IPO, the underwriter may, upon a reasonable, good faith determination, limit the number of shares of the Preferred Shareholders' Registrable Securities to be included in such registration to not less than twenty-five percent (25%) of the total number of securities to be included in such registration and underwriting (with all other securities, other than securities being offered by the Company, having been first excluded from such registration);

c) third, among all other holders of the Company's securities having piggyback registration rights (pro rata among such holders on the basis of the respective amounts of securities which such holders had requested to be included in such registration at the time of filing the registration statement).

To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriter(s) may round the number of shares allocated to any Holder to the nearest one hundred (100) shares.

If any Preferred Shareholder after having inclusion in such registration as provided above does not agree to the terms of any such underwriting, including signing a customary underwriting agreement on the same terms as the other Holders, such Preferred Shareholder shall be excluded therefrom by written notice from the Company or the underwriter. The Registrable Securities or other securities so excluded shall also be withdrawn from such underwriting. Any Registrable Securities or other securities excluded or withdrawn from such underwriting shall be withdrawn from such registration. If shares are so withdrawn from the registration and if the number of shares of Registrable Securities to be included in such registration was previously reduced as a result of marketing factors pursuant to this Section 2.2(c), the Company shall then offer to all persons who have retained the right to include securities in the registration the right to include additional securities in the registration in an aggregate amount equal to the number of shares so withdrawn, with such shares to be allocated among the persons requesting additional inclusion, in the manner set forth above.

2.3 ***Form F-3 Registration***

In the event that the Company shall receive from a Preferred Shareholder a written request or requests that the Company effect a registration on Form F-3 and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Preferred Shareholder, the Company shall:

(a) promptly give written notice of any related qualification or compliance, to such Preferred Shareholder; and

(b) as soon as practicable, effect such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Preferred Shareholder's Registrable Securities as are specified in such request, *provided*, *however*, that the Company shall not be obligated to effect any such registration, qualification or compliance, pursuant to this Section 2.3:

(i) if Form F-3 is not available for such offering;

(ii) if such Preferred Shareholder, together with the holders of any other securities of the Company entitled to inclusion in such registration, proposes to sell Registrable Securities and such other securities (if any) at an aggregate price to the public (net of any underwriters' discounts or commissions) of less than US $1,000,000;

(iii) if the Company shall furnish to such Preferred Shareholder a certificate signed by the Chief Executive Officer or Chairman of the Board of the Company stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its shareholders for such Form F-3 registration to be effected at such time, in which event the Company shall have the right to defer the filing of the Form F-3 registration statement for a period of not more than ninety (90) days after receipt of the request of such Preferred Shareholder under this Section 2.3; *provided*, *however*, that the Company shall not utilize this right more than once in any twelve (12) month period in relation to the same Preferred Shareholder; *provided*, *further*, that the Company shall not register any securities for the account of itself or any other shareholder during such ninety (90) day period other than an Exempt Registration; or

(iv) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance.

(c) Subject to the foregoing, the Company shall file a registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practicable after receipt of the request or requests of such Preferred Shareholder. Registrations effected pursuant to this Section 2.3 shall not be counted as requests for registration effected pursuant to Section 2.1. If the registration is for an underwritten offering, the provisions of Section 2.1(c) and (d) shall apply.

2.4 ***Obligations of the Company***

(a) Whenever required by an Preferred Shareholder under this Section 2 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(i) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use commercially reasonable efforts to cause such registration statement to become effective (provided that before filing a registration statement or prospectus or any amendments or supplements thereto, the Company shall furnish to the counsel selected by the holders of not less than two-thirds (2/3) of the Registrable Securities covered by such registration statement (if any) copies of all such documents proposed to be filed for review and comment by such counsel), and, upon the request of any Preferred Shareholder participating in such registration, keep such registration statement effective for a period of up to one hundred twenty (120) days or, if earlier, until the distribution contemplated in the Registration Statement has been completed; *provided*, *however,* that such 120-day period shall be extended for a period of time equal to the period such Preferred Shareholder refrains from selling any securities included in such registration at the request of an underwriter.

(ii) prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement (provided that before filing such amendments and supplements to such registration statement and the prospectus, the Company shall furnish to the counsel selected by the holders of not less than two-thirds (2/3) of the Registrable Securities covered by such registration statement (if any) copies of all such documents proposed to be filed for the review and comment by such counsel);

(iii) furnish to each of the Preferred Shareholders participating in such registration such numbers of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them;

(iv) use commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by such Preferred Shareholder, *provided* that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions;

(v) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in customary form, with the managing underwriter of such offering; *provided*, *however*, that such Preferred Shareholder shall also enter into and perform its obligations under such agreement;

(vi) notify each of the Preferred Shareholders participating in such registration at any time when a prospectus relating thereto is required to be delivered under the Securities Act or the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing;

(vii) cause all such Registrable Securities registered pursuant hereunder to be listed on each securities exchange on which similar securities issued by the Company are then listed;

(viii) provide a transfer agent and registrar for all Registrable Securities registered pursuant hereunder and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(ix) in an underwritten offering only, furnish a copy to each of the Preferred Shareholders participating in such registration, of (i) the opinion of the counsel representing the Company delivered to the underwriters, and (ii) the "comfort" letter from the independent certified public accountants of the Company in customary form and covering such matters of the type customarily covered by comfort letters delivered to the underwriters, but only in such instances where (i) and (ii) are actually delivered to the underwriters;

(x) make available for inspection by any Preferred Shareholder participating in such registration, any underwriter participating in any disposition pursuant to such registration statement, and any attorney, accountant or other agent retained by any such seller or underwriter, all financial and other records, pertinent corporate documents and properties of the Company reasonably requested in connection with the registration statement, and cause the Company's officers, directors, employees and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant or agent in connection with such registration statement, to the extent permitted by applicable law and regulation;

(xi) otherwise use commercially reasonable efforts to comply with all applicable rules and regulations of the SEC;

(xii) if any such registration or comparable statement refers to any holder by name or otherwise as the holder of any securities of the Company and if such holder is or might be deemed to be an underwriter or a controlling person of the Company, such holder shall have the right to require (a) the insertion therein of language, in form and substance satisfactory to such holder and presented to the Company in writing, to the effect that the holding by such holder of such securities is not to be construed as a recommendation by such holder of the investment quality of the Company's securities covered thereby and that such holding does not imply that such holder shall assist in meeting any future financial requirements of the Company, or (b) in the event that such reference to such holder by name or otherwise is not required by the Securities Act or any similar Federal statute then in force, the deletion of the reference to such holder; provided, that, with respect to this Section 2.4(a)(xii) such holder shall furnish to the Company an opinion of counsel to such effect, which opinion and counsel shall be reasonably satisfactory to the Company;

(xiii) in the event of the issuance of any stop order suspending the effectiveness of a registration statement, or of any order suspending or preventing the use of any related prospectus or suspending the qualification of any Ordinary Shares included in such registration statement for sale in any jurisdiction, the Company shall use commercially reasonable efforts promptly to obtain the withdrawal of such order;

(xiv) use best efforts to cause such Registrable Securities covered by such registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the sellers thereof to consummate the disposition of such Registrable Securities; and

(xv) use best efforts to take all such other actions as the holders of not less than two-thirds (2/3) of the Registrable Securities being sold or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities (including effecting a share split or a combination of shares).

2.5 ***Information From Preferred Shareholder***

It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2 with respect to the Registrable Securities that the relevant Preferred Shareholder shall in a timely manner furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be required to effect the registration of such Preferred Shareholder's Registrable Securities.

2.6 ***Expenses of Registration***

All expenses other than underwriting discounts and commissions incurred in connection with registrations, filings or qualifications pursuant to Sections 2.1, 2.2 and 2.3, including (without limitation) all registration, filing and qualification fees, printers' and accounting fees, fees and disbursements of counsel for the Company and the reasonable fees and disbursements of one counsel for each Preferred Shareholder, shall be borne by the Company.

2.7 ***Indemnification***

In the event any Registrable Securities are included in a registration statement under this Section 2:

(a) To the fullest extent permitted by law, the Company will indemnify and hold harmless the relevant Preferred Shareholder, each of its partners or officers, directors and shareholders, legal counsel and accountants, underwriter (as defined in the Securities Act) and each person, if any, who controls such Preferred Shareholder or underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages or liabilities (joint or several) to which they may become subject under the Securities Act, the Exchange Act or any state securities laws, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively a "**Violation**"): (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any state securities laws or any rule or regulation promulgated under the Securities Act, the Exchange Act or any applicable securities laws; and the Company will reimburse such Preferred Shareholder, underwriter or controlling person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; *provided*, *however*, that the indemnity agreement contained in this Section 2.7(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation that occurs in reliance upon and in conformity with written information furnished for use in connection with such registration by such Preferred Shareholder, underwriter or controlling person; *provided*, *further*, however, that the foregoing indemnity agreement with respect to any preliminary prospectus shall not inure to the benefit of such Preferred Shareholder or underwriter, or any person controlling such Preferred Shareholder or underwriter, from whom the person asserting any such losses, claims, damages or liabilities purchased shares in the offering, if a copy of the prospectus (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto) was not sent or given by or on behalf of such Preferred Shareholder or underwriter to such person, if required by law so to have been delivered, at or prior to the written confirmation of the sale of the shares to such person, and if the prospectus (as so amended or supplemented) would have cured the defect giving rise to such loss, claim, damage or liability.

(b) To the extent permitted by law, the relevant Preferred Shareholder will indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the registration statement, each person, if any, who controls the Company within the meaning of the Securities Act, legal counsel and accountants for the Company, any underwriter, any other Holder selling securities in such registration statement and any controlling person of any such underwriter or other Holder, against any losses, claims, damages or liabilities to which any of the foregoing persons may become subject, under the Securities Act, the Exchange Act or any state securities laws, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Preferred Shareholder for use in connection with such registration; and such Preferred Shareholder will reimburse any person intended to be indemnified pursuant to this Section 2.7(b) for any legal or other expenses reasonably incurred by such person in connection with investigating or defending any such loss, claim, damage, liability or action; *provided, however*, that the indemnity agreement contained in this Section 2.7(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of such Preferred Shareholder (which consent shall not be unreasonably withheld), provided that the relevant Preferred Shareholder's obligation to indemnify contained in this Section 2.7(b) shall be individual, not joint and several and in no event shall any indemnity under this Section 2.7(b) exceed the net proceeds from the offering received by such Preferred Shareholder.

(c) Promptly after receipt by an indemnified party under this Section 2.7 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 2.7, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; *provided*, *however*, that an indemnified party (together with all other indemnified parties which may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this Section 2.7, but the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 2.7.

(d) The indemnification provided for under this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling person of such indemnified party and shall survive the transfer of securities. The Company also agrees to make such provisions, as are reasonably requested by any indemnified party, for contribution to such party in the event the Company's indemnification is unavailable for any reason.

(e) If the indemnification provided for in this Section 2.7 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to herein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission.

(f) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(g) The obligations of the Company and the relevant Preferred Shareholder under this Section 2.7 shall survive the completion of any offering of Registrable Securities in a registration statement under this Section 2, and otherwise.

2.8 ***Reports Under the Exchange Act***

With a view to making available to the Preferred Shareholders the benefits of Rule 144 and any other rule or regulation of the SEC that may at any time permit the Preferred Shareholders to sell securities of the Company to the public without registration or pursuant to a registration on Form F-3, the Company agrees to:

(a) make and keep current public information available, as those terms are understood and defined in Rule 144(c), at all times after ninety (90) days after the effective date of a Qualified IPO;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act; and

(c) furnish to each Preferred Shareholder, so long as such Preferred Shareholder owns any Registrable Securities, forthwith upon request (i) a written statement by the Company that it has complied with the reporting requirements of Rule 144 (at any time after ninety (90) days after the effective date of the first registration statement filed by the Company), the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form F-3 (at any time after it so qualifies), (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company, and (iii) such other information as may be reasonably requested in availing such Preferred Shareholder of any rule or regulation of the SEC that permits the selling of any such securities without registration or pursuant to such form.

2.9 ***Assignment of Registration Rights***

The rights to cause the Company to register Registrable Securities pursuant to this Section 2 may be assigned (but only with all related obligations) by a Preferred Shareholder to a transferee or assignee of such securities; *provided that* (a) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being transferred or assigned; (b) such transferee or assignee agrees in writing to be bound by and subject to the terms and conditions of this Agreement, including without limitation the provisions of Section 2.11 below; and (c) such assignment shall be effective only if immediately following such transfer or assignment the further disposition of such securities by the transferee or assignee is restricted under the Securities Act.

2.10 ***Limitations on Subsequent Registration Rights***

(a) From and after the date of this Agreement, the Company shall not, without the prior written consent of holders of not less than 51% of the outstanding Preferred Shares, enter into any agreement with any holder or prospective holder of any securities of the Company that would give such holder or prospective holder any registration rights, the terms of which are more favorable than, or on parity with, the registration rights granted to the Preferred Shareholder hereunder.

2.11 ***"Market Stand-Off" Agreement***

If requested by the Company and an underwriter of the Company, the Preferred Shareholders shall not sell or otherwise transfer or dispose of any securities of the Company held by the Preferred Shareholders other than those included in the registration immediately prior to and during the one hundred eighty (180) day period following the effective date of a registration statement of the Company filed under the Securities Act in connection with the Company's Qualified IPO (and in the case of a secondary public offering, immediately prior to and during the ninety (90) day period following the effective date of a registration statement). The obligations described in this Section 2.11 shall not apply to a registration relating solely to employee benefit plans on Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a transaction of Form F-4 or similar forms that may be promulgated in the future. The Preferred Shareholders agree to execute a market standoff agreement with said underwriters in customary form consistent with the provisions of this Section 2.11, provided that the Founders, the existing holders of the Ordinary Shares, and all officers or directors and greater than five percent (5%) shareholders of the Company enter into similar agreements. The underwriters in connection with the Company's initial and secondary public offering are intended third party beneficiaries of this Section 2.11 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the Registrable Securities of the Preferred Shareholders (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period.

2.12 ***Termination of Registration Rights***

The right of a Preferred Shareholder to include Registrable Securities in any registration pursuant to Section 2.1, 2.2 or 2.3 shall terminate upon the first to occur of: (i) when the shares of Registrable Securities beneficially owned or subject to Rule 144 aggregation by such Preferred Shareholder may be sold under Rule 144 or Regulation S during any 90-day period; or (ii) five (5) years following the date of the Company's Qualified IPO.

3. **MISCELLANEOUS**

3.1 ***Successors and Assigns***

Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties (including transferees of any shares of Registrable Securities). Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto and their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

3.2 ***Additional Preferred Shareholders***

In the event that the Company issues additional Series C Preferred Shares to one or more new investors ("Additional Preferred Shareholders"), each of such Additional Preferred Shareholders shall execute a joinder to this Agreement in the form of Exhibit B hereto. Upon delivery of any such joinder to other parties hereof, notice of which is hereby waived by the parties hereto, each such Additional Preferred Shareholder shall be as fully a party hereto as if such Additional Preferred Shareholder were an original signatory hereof.

3.3 ***Governing Law***

This Agreement shall be governed in all respects by and construed according to the laws of the State of New York, U.S.

3.4 ***Arbitration***

Any dispute, controversy or claim arising out of or relating to this Agreement, or the interpretation, breach, termination or invalidity hereof, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force and as may be amended by the rest of this section. The appointing authority shall be Hong Kong International Arbitration Centre. The place of arbitration shall be in Hong Kong at Hong Kong International Arbitration Centre (HKIAC). There shall be only one arbitrator. The award of the arbitration tribunal shall be final and binding upon the disputing parties, and any party to the dispute may apply to a court of competent jurisdiction for enforcement of such award.

3.5 ***Counterparts***

This Agreement may be executed in two or more counterparts, including facsimile counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

3.6 ***Titles and Subtitles***

The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

3.7 ***Notices***

All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, sent by facsimile or otherwise delivered by hand or by messenger addressed:

(a) If to a Preferred Shareholder, at such Preferred Shareholder's facsimile number or address as shown in the Company's records, as may be updated in accordance with the provisions hereof; and

(b) If to the Company, one copy should be sent to its principal address or facsimile number and addressed to the attention of the President, or at such other address or facsimile number as the Company shall have furnished to such Preferred Shareholder.

Each such notice or other communication shall for all purposes of this Agreement be treated as effective or having been given when delivered if delivered personally, or, if sent by mail, at the earlier of its receipt or seven (7) days after the same has been deposited with the applicable postal services, addressed and mailed as aforesaid or, if sent by facsimile, on the next business day after the date of confirmation of facsimile transfer or, if sent by courier or overnight delivery, three (3) days after being sent.

3.8 ***Entire Agreement: Amendments and Waivers***

This Agreement (including the Exhibits hereto, if any) constitutes the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof and supersedes all prior agreements and understandings with respect to the subject matter hereof. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the Preferred Shareholders.

3.9 ***Severability***

If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

3.10 ***Delays or Omissions***

Except as expressly provided herein, no delay or omission to exercise any right, power or remedy accruing to any party to this Agreement upon any breach or default of any other party under this Agreement shall impair any such right, power or remedy of such non-defaulting party, nor shall it be construed to be a waiver of any such breach or default, or any acquiescence therein, or of or in any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind of character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any party to this Agreement, shall be cumulative and not alternative.

3.11 ***Further Instrument and Actions***

The parties hereto agree to execute such further instruments and to take such further action (including the exercise of all voting rights and other power of control available to them in relation to the Company and its Subsidiaries) as may reasonably be necessary to carry out the intent of this Agreement.

3.12 ***Memorandum and Articles of Association***

In the event of any conflict or inconsistency between the memorandum and articles of association of the Company and this Agreement, the provisions of the memorandum and articles of association of the Company shall prevail.

3.13 ***Newco***

In the event of a new Listing Vehicle being formed and in which the Preferred Shareholders hold any share or securities, the parties hereto shall procure that the new Listing Vehicle and the Preferred Shareholders shall enter into a new registration rights agreement in substantially the same terms and conditions as this Agreement to govern the registration rights of the Preferred Shareholders in respect of such shares or securities in the new Listing Vehicle.

3.14 ***Prior Agreement***

This Agreement shall supersede the Prior Agreement and all other prior agreements regarding the subject matter hereof, which shall cease to have any force and effect as from the date hereof save for any antecedent breach prior to date hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

21VIANET GROUP, INC.
The offices of Maples Corporate Services Limited, PO Box 309, Ugland House Grand Cayman, KY1-1104 Cayman Islands

By: **/s/ Sheng Chen**
Name: **Sheng Chen**
Title: Chairman and Chief Execution Officer

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

TOA Capital Corporation
as general partner of Japan China Bridge Fund
4F Ogawacho Mesena Building
Kanda Ogawacho 1-7, Chiyoda-ku
Tokyo, 101-0052, Japan

By: **/s/ Ueno Yoshihisa**
Name: **Ueno Yoshihisa**
Title: **General Partner**

[AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

CBC IDC Limited
90 Main Street, P. O. Box 3099, Road Town, Tortola, British Virgin Islands

By: **/s/ Ying Zhang**
Name: **Ying Zhang**
Title:

[AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

IP Cathay One, L.P.
c/o 7F., No. 122, Dunhua N. Rd.
Taipei 10595, Taiwan

By: **/s/ Richard Chang**
Name: **Richard Chang**
Title: **Founding Managing Partner**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Asuka DBJ Partners Co., Ltd.
as general partner of Asuka DBJ
Investment LPS
11F Ark Mori Building, Akasaka 1-12-32 Minato-ku, Tokyo,
107-6011, Japan

By: **/s/ Toshihiro Toyoshima**
Name: **Toshihiro Toyoshima**
Title: **CEO**

[AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Riselink Venture Capital Corp.
11F-1, No. 89, Sung-Jen Road, 110, Taipei, Taiwan, Republic of China

By: **/s/ Sharon Liao**
Name: **Sharon Liao**
Title: **Managing Director**

Parawin Venture Capital Corp.
11F-1, No. 89, Sung-Jen Road, 110, Taipei, Taiwan, Republic of China

By: **/s/ Sharon Liao**
Name: **Sharon Liao**
Title: **Managing Director**

Sinolinks Venture Capital Corp.
11F-1, No. 89, Sung-Jen Road, 110, Taipei, Taiwan, Republic of China

By: **/s/ Sharon Liao**
Name: **Sharon Liao**
Title: **Managing Director**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

HUA VII Venture Capital Corporation
17th - 1F, No. 105, Tun-Hwa South Road,
Sec. 2, Taipei, Taiwan, Republic of China

By: **/s/ Richard Chen**
Name: **Richard Chen**
Title:

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Vincera Growth Capital I Limited
17th - 1F, No. 105, Tun-Hwa South Road
Sec. 2, Taipei, Taiwan, Republic of China

By: **/s/ Richard Chen**
Name: **Richard Chen**
Title:

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

China Resources Development Company Limited
7/F, Jade Center, 98 Wellington Street
Central, Hong Kong

By: **/s/ China Resources Development Company Limited**
Name:
Title:

[AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

SO-NET Entertainment Corporation
ThinkPark Tower, 2-1-1 Osaki
Shinagawa-ku, Tokyo, 141-6010, Japan

By: **/s/ Hiroki Totoki**
Name: **Hiroki Totoki**
Title: **Executive Vice President**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Jessy Assets Limited
Trident Chambers, PO Box 146, Road Town Tortola, British Virgin Islands

By: **/s/ Yvonne Leung**
Name: **Yvonne Leung**
Title: **Manager**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Granite Global Ventures III L.P.
2494 Sand Hill Road, Suite 100, Menlo Park CA94025, United States of America

By: **Granite Global Ventures III L.L.C., its General Partner**

By: **/s/ Hany Nada**
Name: **Hany Nada**
Title: **Managing Director**

GGV III Enterprises Fund L.P.
2494 Sand Hill Road, Suite 100, Menlo Park CA94025, United States of America

By: **Granite Global Ventures III L.L.C., its General Partner**

By: **/s/ Hany Nada**
Name: **Hany Nada**
Title: **Managing Director**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Trinity Ventures IX L.P.
3000 Sand Hill Road, Building 4, Suite 160, Menlo Park, CA 94025
United States of America

By: **Trinity TVL IX, L.L.C.,**
its General Partner

By: **/s/ Ajay Chopra**
Name: **Ajay Chopra**
Title: **General Partner**

Trinity IX Side-By-Side Fund, L.P.
3000 Sand Hill Road, Building 4, Suite 160, Menlo Park, CA 94025
United States of America

By: **Trinity TVL IX, L.L.C.,**
its General Partner

By: **/s/ Ajay Chopra**
Name: **Ajay Chopra**
Title: **General Partner**

Trinity IX Entrepreneurs' Fund, L.P.
3000 Sand Hill Road, Building 4, Suite 160, Menlo Park, CA 94025
United States of America

By: **Trinity TVL IX, L.L.C.,**
its General Partner

By: **/s/ Ajay Chopra**
Name: **Ajay Chopra**
Title: **General Partner**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Matrix Partners China I, L.P.
c/o Maples Corporate Services Limited
P.O. Box 309 Ugland House,
Grand Cayman, KY1-1104, Cayman Islands

By: Matrix China Management I, L.P.
its General Partner

By: Matrix China I GP GP, Ltd.
its General Partner

By: /s/ Matrix Partners China I, L.P.
Print Name:
Title:

Matrix Partners China I-A, L.P.
c/o Maples Corporate Services Limited
P.O. Box 309 Ugland House,
Grand Cayman, KY1-1104, Cayman Islands

By: Matrix China Management I, L.P.
its General Partner

By: Matrix China I GP GP, Ltd.
its General Partner

By: /s/ Matrix Partners China I-A, L.P.
Print Name:
Title:

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Meritech Capital Partners III L.P.
245 Lytton Ave., Suite 350
Palo Alto, CA 94301
United States of America

By: **Meritech Capital Associates III L.L.C.**
its General Partner

By: **Meritech Management Associates III L.L.C.**
a managing member

By: **/s/ Paul S. Madera**
Name: **Paul S. Madera**
Title: **Managing Director**

Meritech Capital Affiliates III L.P.
245 Lytton Ave., Suite 350
Palo Alto, CA 94301
United States of America

By: **Meritech Capital Associates III L.L.C.**
its General Partner

By: **Meritech Management Associates III L.L.C.**
a managing member

By: **/s/ Paul S. Madera**
Name: **Paul S. Madera**
Title: **Managing Director**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Smartpay Company Limited
Omar Hodge Building, Wickhams Cay I
P. O. Box 362, Road Town
Tortola, British Virgin Islands

By: **/s/ Smartpay Company Limited**
Name:
Title:

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

WI HARPER INC FUND VI LTD.
10F-2, 76 Tin Hue South Road, Section 2
Taipei, 106 Taiwan

By: **/s/ Peter Liu**
Name: **Peter Liu**
Title: **Chairman**

[AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

IP CATHAY II, L.P.
c/o 7F., No. 122, Dunhua N. Rd.
Taipei 10595, Taiwan

By: **/s/ Richard Chang**
Name: **Richard Chang**
Title: **Founding Managing Partner**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

SMC SYNAPSE PARTNERS LIMITED
P.O Box 957
Offshore Incorporation Center
Road Town, Tortola, British Virgin Island

By: **/s/ Ueno Yoshihisa**
Name: **Ueno Yoshihisa**
Title: **General Partner**

Exhibit A

Preferred Shareholders

Name of Preferred Shareholder	Registered Office of Preferred Shareholder
TOA Capital Corporation, as general partner of Japan China Bridge Fund	4F Ogawacho Mesena Building, Kanda Ogawacho 1-7, Chiyoda-ku, Tokyo, 101-0052, Japan
CBC IDC Limited	90 Main Street, P. O. Box 3099, Road Town, Tortola, British Virgin Islands
IP Cathay One, L.P.	3rd Floor, P. O. Box 933, Omar Hodge Building, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands
Asuka DBJ Partners Co., Ltd., as general partner of Asuka DBJ Investment LPS	11F, Ark Mori Building, Akasaka 1-12-32, Minato-ku, Tokyo, 107-6011, Japan,
Riselink Venture Capital Corp.	1F, No. 91, Sung-Jen Road, 110, Taipei, Taiwan, Republic of China
Parawin Venture Capital Corp.	1F, No. 91, Sung-Jen Road, 110, Taipei, Taiwan, Republic of China
Sinolinks Venture Capital Corp.	Jipfa Building, 3rd Floor, Main Street, P. O. Box 181, Road Town, Tortola, British Virgin Islands
Hua VII Venture Capital Corporation	17th–1F, No 105, Tun-Hwa South Road, Sec. 2, Taipei, Taiwan, Republic of China
Vincera Growth Capital I Limited	Palm Grove House, P. O. Box 438, Road Town, Tortola, British Virgin Islands
China Resources Development Company Limited	Trident Chambers, P. O. Box 146, Road Town, Tortola, British Virgin Islands
So-net Entertainment Corporation	ThinkPark Tower, 2-1-1 Osaki, Shinagawa-ku, Tokyo, 141-6010, Japan
Jessy Assets Limited	Trident Chambers, PO Box 146, Road Town, Tortola, British Virgin Islands
Granite Global Ventures III L.P.	2494 Sand Hill Road, Suite 100, Menlo Park CA94025, United States of America
GGV III Entrepreneurs Fund L.P.	2494 Sand Hill Road, Suite 100, Menlo Park, CA 94025, United States of America
Trinity Ventures IX, L.P.	3000, Sand Hill Road, Building 4, Suite 160, Menlo Park, CA 94025, United States of America
Trinity IX Side-By-Side Fund, L.P.	3000, Sand Hill Road, Building 4, Suite 160, Menlo Park, CA 94025, United States of America
Trinity IX Entrepreneurs' Fund, L.P.	3000, Sand Hill Road, Building 4, Suite 160, Menlo Park, CA 94025, United States of America
Matrix Partners China I, L.P.	the office of M&C Corporate Services Limited, P.O. Box 309 Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands

Matrix Partners China I-A, L.P.	the office of M&C Corporate Services Limited, P.O. Box 309 Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands
Meritech Capital Partners III L.P.	245 Lytton Ave., Suite 350, Palo Alto, CA94301, United States of America
Meritech Capital Affiliates III L.P.	245 Lytton Ave., Suite 350, Palo Alto, CA94301, United States of America
Smartpay Company Limited	Omar Hodge Building, Wickhams Cay I, P. O. Box 362, Road Town, Tortola, British Virgin Islands
WI Harper INC Fund VI Ltd.	P.O. Box 309 GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands
IP Cathay II, L.P.	c/o 7F., No. 122, Dunhua N. Rd., Taipei 10595, Taiwan
SMC Synapse Partners Limited	P.O Box 957, Offshore Incorporation Center, Road Town Tortola, British Virgin Island

Exhibit B

Form of Joinder

The undersigned, _____, a _____, hereby joins in the execution of that certain Amended and Restated Registration Rights Agreement dated as of **[_____]** (the "**Agreement**"). By executing this joinder, the undersigned hereby agrees that it is a "Preferred Shareholder" thereunder with the same force and effect as if originally named therein as a Preferred Shareholder. Each reference to a Preferred Shareholder in the Agreement shall be deemed to include the undersigned.

IN WITNESS WHEREOF, the undersigned has executed this joinder as of _____, _____.

[Name of Investor]

By:
Name:
Title:

Exhibit 4.7

Joinder

The undersigned, Cisco Systems International, B.V., with its notice address at c/o State Street Corporation, One Enterprise Drive, W3A, North Quincy, MA 02171 (Attn: Tim Fleming) (with a copy to Cisco Systems, Inc. at 170 West Tasman Drive, San Jose, CA 95134-1706 Attn: Connie Chen), hereby joins in the execution of that certain Amended and Restated Registration Rights Agreement dated as of January 14, 2011 (the **"Agreement"**). By executing this joinder, the undersigned hereby agrees that it is a "Preferred Shareholder" thereunder with the same force and effect as if originally named therein as a Preferred Shareholder. Each reference to a Preferred Shareholder in the Agreement shall be deemed to include the undersigned.

IN WITNESS WHEREOF, the undersigned has executed this joinder as of February 16, 2011.

CISCO SYSTEMS INTERNATIONAL, B.V.

By: _____
Name: Hans Albers
Title: Managing Director

"Approved by Legal"

Exhibit 5.1

Our ref VZL\653749\4416045v1
Direct tel +852 2971 3095
Email valerie.law@maplesandcalder.com

21Vianet Group, Inc.
M5, 1 Jiuxianqiao East Road
Chaoyang District
Beijing 100016
People's Republic of China

4 April 2011

Dear Sirs

21Vianet Group, Inc.

We have acted as Cayman Islands legal advisers to 21Vianet Group Inc. (the "**Company**") in connection with the Company's registration statement on Form F-1, including all amendments or supplements thereto (the "**Registration Statement**"), filed with the Securities and Exchange Commission under the U.S. Securities Act of 1933, as amended to date relating to the offering by the Company of certain American Depositary Shares (the "**ADSs**") representing the Company's Class A ordinary shares of par value US$0.00001 each (the "**Shares**").

We are furnishing this opinion as Exhibit 5.1 to the Registration Statement.

1 Documents Reviewed

For the purposes of this opinion, we have reviewed only originals, copies or final drafts of the following documents:

1.1 the certificate of incorporation dated 16 October 2009 and certificates of incorporation on change of name dated 10 November 2009 and 7 January 2011.

1.2 the articles of association of the Company as adopted by the Company on 17 February 2011 (the "**Pre-IPO M&A**");

1.3 the amended and restated memorandum and articles of association of the Company as conditionally adopted by special resolution passed on 31 March 2011 and effective immediately upon completion of the Company's initial public offering of Shares represented by ADSs (the "**IPO M&A**");

1.4 the minutes of a meeting of the board of directors of the Company held on 25 February 2011 (the "**Minutes**");

1.5 the written resolutions of all the shareholders of the Company dated 31 March 2011 (the "**Shareholders' Resolutions**");

1.6 a certificate from a Director of the Company addressed to this firm dated 31 March 2011, a copy of which is attached hereto (the "**Director's Certificate**");

1.7 a certificate of good standing dated 1 April 2011, issued by the Registrar of Companies in the Cayman Islands (the "**Certificate of Good Standing**"); and

1.8 the Registration Statement.

2 Assumptions

Save as aforesaid we have not been instructed to undertake and have not undertaken any further enquiry or due diligence in relation to the transaction the subject of this opinion. The following opinions are given only as to and based on circumstances and matters of fact existing at the date hereof and of which we are aware consequent upon the instructions we have received in relation to the matter the subject of this opinion and as to the laws of the Cayman Islands as the same are in force at the date hereof. In giving this opinion, we have relied upon the completeness and accuracy (and assumed the continuing completeness and accuracy as at the date hereof) of the Director's Certificate as to matters of fact and the Certificate of Good Standing without further verification and have relied upon the following assumptions, which we have not independently verified:

2.1 copy documents or drafts of documents provided to us are true and complete copies of, or in the final forms of, the originals; and

2.2 the genuineness of all signatures and seals.

3 Opinion

The following opinions are given only as to matters of Cayman Islands law and we have assumed that there is nothing under any other law that would affect or vary the following opinions.

Based upon the foregoing and subject to the qualifications set out below and having regard to such legal considerations as we deem relevant, we are of the opinion that:

3.1 the Company has been duly incorporated as an exempted company with limited liability for an unlimited duration and is validly existing and in good standing under the laws of the Cayman Islands;

3.2 the authorised share capital of the Company, with effect immediately upon the completion of the Company's initial public offering of its Shares in the U.S., will be US$7,700 divided into 470,000,000 Class A ordinary shares of par value US$0.00001 each and 300,000,000 Class B ordinary shares of par value US$0.00001;

3.4 the issue and allotment of the Shares have been duly authorised and when allotted, issued and paid for as contemplated in the Registration Statement and registered in the register of members (shareholders), the Shares will be legally issued and allotted, fully paid and non-assessable; and

3.5 the statements under the caption "Taxation" in the prospectus forming part of the Registration Statement, to the extent that they constitute statements of Cayman Islands law, are accurate in all material respects and that such statements constitute our opinion.

4 Qualifications

Except as specifically stated herein, we make no comment with respect to any representations and warranties which may be made by or with respect to the Company in any of the documents or instruments cited in this opinion or otherwise with respect to the commercial terms of the transactions the subject of this opinion.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our name under the headings “Enforceability of Civil Liabilities”, “Taxation” and “Legal Matters” and elsewhere in the prospectus included in the Registration Statement. 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 U.S. Securities Act of 1933, as amended, or the Rules and Regulations of the Commission thereunder.

Yours faithfully

/s/ Maples and Calder

Maples and Calder

Encl

EXHIBIT 8.1

[LETTERHEAD OF SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP]

May [ ], 2011

21Vianet Group, Inc.
M5, 1 Jiuxianqiao East Road,
Chaoyang District
Beijing 100016
People's Republic of China

Re: American Depositary Shares of 21Vianet Group, Inc. (the "Company")

Ladies and Gentlemen:

You have requested our opinion concerning the statements in the Registration Statement (as described below) under the caption "Taxation—Material United States Federal Income Tax Considerations" in connection with the public offering on the date hereof of certain American Depositary Shares ("ADSs"), each of which represents Class A ordinary shares, par value $0.0001 per share, of the Company pursuant to the registration statement on Form F-1 under the Securities Act of 1933, as amended (the "Act"), originally filed by the Company with the Securities and Exchange Commission (the "Commission") on December 17, 2010 (the "Registration Statement").

This opinion is being furnished to you pursuant to section 8.1 of Exhibit Index of the Registration Statement.

In connection with rendering the opinion set forth below, we have examined and relied on originals or copies of the following:

(a) the Registration Statement; and

(b) such other documents, certificates and records as we have deemed necessary or appropriate as a basis for the opinion set forth below.

Our opinion is conditioned on the initial and continuing accuracy of the facts, information and analyses set forth in such documents, certificates and records (as identified in clauses (a) and (b) of the immediately preceding paragraph). All capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Registration Statement.

For purposes of our opinion, we have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, conformed, electronic, or photostatic copies, and the authenticity of the originals of such latter documents. We have relied on a representation of the Company that such documents, certificates, and records are duly authorized, valid and enforceable.

In addition, we have relied on factual statements and representations of the officers and other representatives of the Company and others, and we have assumed that such statements and representations are and will continue to be correct without regard to any qualification as to knowledge or belief.

Our opinion is based on the U.S. Internal Revenue Code of 1986, as amended, U.S. Treasury regulations, judicial decisions, published positions of the U.S. Internal Revenue Service, and such other authorities as we have considered relevant, all as in effect as of the date of this opinion and all of which are subject to differing interpretations or change at any time (possibly with retroactive effect). A change in the authorities upon which our opinion is based could affect the conclusions expressed herein. There can be no assurance, moreover, that the opinion expressed herein will be accepted by the U.S. Internal Revenue Service or, if challenged, by a court.

Based upon and subject to the foregoing, we are of the opinion that, under current U.S. federal income tax law, although the discussion set forth in the Registration Statement under the heading “Material United States Federal Income Tax Considerations” does not purport to summarize all possible U.S. federal income tax considerations of the purchase, ownership and disposition of ADSs to U.S. Holders (as defined therein), such discussion constitutes, in all material respects, a fair and accurate summary of the U.S. federal income tax consequences of the purchase, ownership and disposition of the ADSs that are anticipated to be material to U.S. Holders who purchase the ADSs pursuant to the Registration Statement, subject to the qualifications set forth in such discussion and, to the extent that it sets forth specific legal conclusion under United States federal income tax law, except as otherwise provided therein, it represents our opinion.

Except as set forth above, we express no other opinion. This opinion is furnished to you in connection with the closing occurring today of the sale of the securities. This opinion is expressed as of the date hereof, and we are under no obligation to supplement or revise our opinion to reflect any legal developments or factual matters arising subsequent to the date hereof.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the use of our name under the captions "Taxation" and "Legal Matters" in the prospectus included in the Registration Statement. In giving such consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Act or the rules or regulations of the Commission promulgated thereunder.

Very truly yours,

Exhibit 8.3

Legal Opinion

Date [—]

21 Vianet Group, Inc

Address:[—]

Re: The Listing of 21 Vianet Group, Inc on [—]

Ladies and Gentlemen:

We are qualified lawyers of the People's Republic of China (the "**PRC**", for the purpose of issuing this legal opinion, excluding Hong Kong, Macau and Taiwan) and as such are qualified to issue this opinion with respect to the laws of the PRC. We have acted as your PRC legal counsel in connection with the proposed public offering of [—] American Depositary Shares (the "**ADSs**"), each representing [—] Class A ordinary shares of par value US$0.0001 per share (the "**Ordinary Shares**"), by [21 Vianet Group, Inc.] (the "**Company**") (the "**Offering**") and the listing of the Company's ADSs on the [—] (the "**Listing**", and together with the Offering, the "**Transaction**").

Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the underwriting agreement dated [—] entered into by and among [—], [—] and the Company (the "**Underwriting Agreement**").

We have reviewed the Prospectuses (defined below), the Underwriting Agreement and the deposit agreement dated [—] entered into by and between the Company and [—] (the "**Deposit Agreement**"). In addition, we have reviewed the originals or copies certified or otherwise identified to our satisfaction of all such corporate records of the Company, the WFOE and the PRC Affiliates and all such instruments, agreements, certificates of officers or representatives of the Company and other persons, certificates issued and representations made by government officials with proper authority in each case and such other documents as we have deemed appropriate as a basis for the opinions expressed below.

In rendering this opinion, we have assumed that:

1 the authenticity of all documents submitted to us as originals and the conformity to the originals of all documents submitted to us as copies;

2 all signatures, chops and seals on all such documents which bear such signatures, chops and seals are genuine;

3 each of the documents and the corporate minutes and resolutions presented to us remains in full force and effect up to the date of this opinion and have not been varied, amended, cancelled or revoked, except as noted therein;

4 the truthfulness, accuracy and completeness of all factual statements in the documents and all other factual information provided to us by each of the Company, VN HK and the PRC Companies;

5 all parties thereto, other than the the PRC Companies, have the requisite power and authority to enter into, and have duly executed, delivered and/or issued those documents to which they are parties, and have the requisite power and authority to perform their obligations thereunder;

6 all documents constitute legal, valid, binding and enforceable obligations on the parties thereto under the laws (other than the PRC Laws) by which they are expressed to be governed; and

7 The laws of any jurisdiction other than the PRC which may be applicable to the execution, delivery, performance or enforcement of the documents submitted to us are complied with and all such documents are legal, valid, binding and enforceable under all such laws as shall govern or relate to them other than the PRC Laws.

The following terms as used in this opinion are defined as follows:

"**Governmental Agencies**" means any court or governmental agency or body of any stock exchange authorities.

"**Governmental Authorizations**" means all approvals, consents, waivers, sanctions, authorizations, filings, registrations, exemptions, permissions, endorsements, annual inspections, qualifications and licenses.

"**PRC Affiliates**" means the entities listed in Schedule 1.

"**PRC Companies**" means the WFOE and all PRC Affiliates.

"**PRC Company**" means WFOE or any of PRC Affiliates.

"**PRC Laws**" means all laws, rules, regulations, statutes, orders, decrees, guidelines, notices, judicial interpretations, and other legislations of the PRC that are in effect as at the date hereof.

"**WFOE**" means 21ViaNet Data Center Company Limited.

"**Prospectuses**" means the General Disclosure Package as of [—], 2011 (including the preliminary prospectus dated [—], 2011 that forms part of the Registration Statement, as amended, the free writing prospectus dated [—], 2011 filed with the SEC and the pricing information contained in Schedule [—] to the Underwriting Agreement) and the final prospectus dated [—], 2011 (the "**Final Prospectus**") filed with the SEC pursuant to Rule 424(b) under the Securities Act.

This legal opinion is rendered on the basis of the PRC Laws effective as at the date hereof. We do not purport to be an expert on, generally familiar with, or qualified to express legal opinions based on, any laws other than the PRC Laws. Accordingly, we express no opinion on the laws of any jurisdiction other than the PRC. Furthermore, there is no guarantee that any such PRC Laws will not be changed, amended or replaced in the immediate future or in the longer term with or without retrospective effect.

Based on the foregoing and the disclosures made to us by the Company, VN HK and the PRC Companies, we are of the opinion that:

1. The WFOE has been duly incorporated and is validly existing as a wholly foreign-owned enterprise with limited liability under the PRC Laws and its business license is in full force and effect. The articles of association of the WFOE comply with the requirements of applicable PRC Laws and are in full force and effect. The total registered capital of the WFOE is USD 12,000,000, all of which has been fully paid in accordance with the relevant PRC Laws and its articles of association. All of the equity interests in the WFOE are legally owned by 21ViaNet Group Limited ("**VN HK**"), and to the best of our knowledge after due inquiry, are free and clear of all liens, encumbrances, security interest, mortgage, pledge, equities or claims or any third-party right. All Governmental Authorizations required under the PRC Laws for the ownership by VN HK of its equity interests in the WFOE have been duly obtained. To the best of our knowledge after due inquiry, there are no outstanding rights, warrants or options to acquire, or instruments convertible into or exchangeable for, nor any agreements or other obligations to issue or other rights to convert any obligation into, any equity interest in the WFOE.

2. Each of the PRC Affiliates has been duly incorporated and is validly existing under the laws of the PRC as a limited liability company and its business license is in full force and effect. The articles of association of each of the PRC Affiliates comply with the requirements of applicable PRC Laws and are in full force and effect. The total registered capital of VNS, VNB, Shanghai Wantong, 21 ViaNet Xi'an, Zhi Bo Xin Tong, and Beijing Cheng Yi Shi Dai is RMB10,000,000, RMB 50,000,000, RMB30,000,000 , RMB 1,000,000, RMB 1,000,000, and RMB 10,000,000, respectively, all of which has been fully paid in accordance with the relevant PRC Laws and their respective articles of association. Except as disclosed in the Prospectuses, all of the equity interests in (i) VNS are legally owned as to 70% by Sheng Chen and as to 30% by Jun Zhang, (ii) VNB are legally wholly owned by VNS, (iii) Shanghai Wantong are legally owned as to 51% by VNB and as to 49% by Shanghai Beigaoxin (Group) Co.,Ltd (□□□□□□□□□□□□□□□□ , (iv) 21 ViaNet Xi'an are legally wholly owned by VNB, (v) Zhi Bo Xin Tong are legally owned as to 51% by VNB and as to 49% by Beijing Shidai Tonglian Technology Co.,Ltd. □□□□□□□□□□□□□), and (vi) Beijing Cheng Yi Shi Dai are legally owned as to 51% by VNB and as to 49% by Beijing Shidai Tonglian Technology Co.,Ltd. , and to the best of our knowledge after due inquiry, all of these equity interests are free and clear of all liens, encumbrances, security interest, mortgage, pledge, equities or claims or any third-party right. All Governmental Authorizations required under the PRC Laws for the ownership by the aforesaid equity interest holders of the PRC Affiliates of their respective equity interests in the PRC Affiliates have been duly obtained. To the best of our knowledge after due inquiry, there are no outstanding rights, warrants or options to acquire, or instruments convertible into or exchangeable for, nor any agreements or other obligations to issue or other rights to convert any obligation into, any equity interest in any of the PRC Affiliates.

3. Schedule 2 sets forth a true, complete and correct list of all the current contractual arrangements and agreements (the "**VIE Agreements**") among the parties thereof.

4. Except as disclosed in the Prospectuses, the ownership structure of the PRC Companies as set forth in the Prospectuses is not in breach or violation of any PRC Laws in any material respect, and immediately after the Offering will not be in breach or violation of any applicable PRC Laws in any material respect. [To the best of our knowledge after due inquiry, the ownership structure of the PRC Companies has not been challenged by any Governmental Agency and there are no legal, arbitration, governmental or other legal proceedings, pending before or threatened or contemplated by any Governmental Agency against any of the PRC Companies.]

5. Except as disclosed in the Prospectuses, each of the PRC Companies has the legal right and full power and authority to enter into and perform its obligations under each of the VIE Agreements to which it is a party. Each of the PRC Companies has taken all necessary corporate action to authorize the execution, delivery and performance of, and has duly authorized, executed and delivered, each of the VIE Agreements to which it is a party; and each of the VIE Agreements is valid and legally binding to each party of such agreements under the PRC Laws.

6. The execution, delivery, effectiveness, enforceability and performance of each of the VIE Agreements will not (a) to the best of our knowledge after due inquiry, conflict with or result in a breach or violation of any terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument governed by the PRC Laws to which any of the PRC Companies or the shareholders of PRC Companies is a party or by which or to which any of such entities or individuals, or their respective properties or assets, is bound or subject, except for such conflict, breach, violation or default that would not have a Material Adverse Effect on its business ("Material Adverse Effect"); (b) result in any violation of any provision of such parties' articles of association or business license; or (c) do not violate any PRC Laws, except for such violation that would not have a Material Adverse Effect

7. Except as disclosed in the Prospectuses, each of the PRC Companies has full legal right, power and authority and has obtained all necessary Governmental Authorizations of and from, and has made all necessary declarations and filings with, all Governmental Agencies to own, use, lease and operate its material properties and assets and to conduct its business in the manner presently conducted as disclosed in the Prospectuses and such necessary Governmental Authorizations contain no materially burdensome restrictions or conditions. . Except as disclosed in the Prospectuses and to the best of our knowledge after due inquiry, (a) none of the PRC Companies has received any notification of proceedings relating to the modification, suspension or revocation of any such necessary Governmental Authorizations; (b) we are not aware of anything which causes us to reasonably believe that any regulatory body is considering modifying, suspending or revoking, or not renewing, any such necessary Governmental Authorizations, and; (c) each of the PRC Companies is in compliance with the provisions of such Governmental Authorizations in all material respects.

8. [To the best of our knowledge after due inquiry, except as disclosed in the Prospectuses, each of the PRC Companies has full, valid and clean title to all of its real property used in connect with its business, to the best of our knowledge after due inquiry, such real property are free and clear of all security interest, liens, charges, encumbrances, claims, options, restrictions and other third party rights.] [Each lease agreement to which a PRC Company is a party is listed in Schedule 3 and is duly executed and legally binding.]

9. [To the best of our knowledge after due inquiry, except as disclosed in the Prospectuses, the PRC Companies have legal and valid titles to the intellectual properties as set out in Schedule 4 herein ("**Intellectual Properties**"). To the best of our knowledge after due inquiry: (A) there is no pending or threatened action, suit, proceeding or claim by others challenging any PRC Companies' rights in or to, or the violation of any of the terms of, any of their Intellectual Properties; (B) there is no pending or threatened action, suit, proceeding or claim by others challenging the validity, enforceability or scope of any such Intellectual Properties; (C) there is no pending or threatened action, suit, proceeding or claim by others that any PRC Companies infringes, misappropriates or otherwise violates or conflicts with any intellectual properties or other proprietary rights of others.]

10. Each of material contracts listed in Schedule 5 (the "**Material Contracts**") has been duly authorized, executed and delivered by the PRC Companies which are parties to such Material Contracts as the case may be, and each such PRC Company has taken all necessary corporate actions required by the articles of association of such PRC Company to authorize the performance thereof, and each such PRC Company has the corporate power and capacity to enter into and to perform its obligations under such Material Contracts; the execution, delivery and performance by the PRC Companies of each of the Material Contracts to which such PRC Company is a party will not result in any violation of any PRC Laws; all Governmental Authorizations required for such PRC Company, and all other legal steps necessary required by such Material Contracts, for the performance and enforcement of the Material Contracts have been obtained or completed and are in full force and effect.

11. [To the best of our knowledge after due inquiry, except as disclosed in the Prospectuses and the situations that will not result in a Material Adverse Effect, none of the PRC Companies is in breach or violation of or in default, as the case may be, under (A) its articles of association, business license or other constituent documents, (B) any material obligation, indenture, mortgage, deed of trust, bank loan or credit agreement or other evidence of indebtedness governed by the PRC Laws (nor has any event occurred which with notice, lapse of time, or both would result in any breach of, or constitute default under or give the holder of any indebtedness the right to require the repurchase, redemption or repayment of all or part of such indebtedness), (C) the terms or provisions of any of the VIE Agreements, (D) apart from the VIE Agreements, any obligation, license, lease, contract or other agreement or instrument governed by the PRC Laws to which any of the PRC Companies is a party or by which any of them may be bound or affected, or (E) any law, regulation or rule of the PRC, or any decree, judgment or order of any court in the PRC applicable to any PRC Company.]

12. [To the best of our knowledge after due inquiry, none of the PRC Companies has taken any action nor have any steps been taken or legal or administrative proceedings been commenced or threatened for the winding up, dissolution or liquidation, or for the appointment of a liquidation committee or similar officers in respect of the assets of any of the PRC Companies, or for the suspension, withdrawal, revocation or cancellation of any of their respective business license, or articles of association, as applicable.]

13. [To the best of our knowledge after due inquiry, there are no legal, arbitration or governmental proceedings pending in the PRC to which any of the PRC Companies is a party or of which any property of any of the PRC Companies is the subject which, if determined adversely to any of the PRC Companies, would individually or in the aggregate have a Material Adverse Effect, and to the best of our knowledge after due inquiry, no such proceedings are threatened or contemplated by any Governmental Agency, except as would not cause a Material Adverse Effect. To the best of our knowledge after due inquiry, there is no judgment or order made by any Governmental Agency in the PRC against any PRC Company which, if adverse to any of the PRC Companies, would individually or in the aggregate have a Material Adverse Effect.]

14. [The statements in the Prospectuses under "Summary", "Risk Factors", "Our Corporate History and Structure" and "Regulation", "Dividend Policy", "Enforceability of Civil Liabilities", "Management's Discussion and Analysis of Financial Position and Results of Operations", "Business", "Management", "Related Party Transactions" and "Taxation" to the extent such statements relate to matters of the PRC Laws, are true and accurate in all material respects, and such statements do not omit to state any material fact necessary to make them, in light of the circumstances under which they were made, not misleading.]

15. No stamp or other issuance or transfer taxes or duties and no capital gains, income, withholding or other taxes are payable by or on behalf of the Underwriters to the government of the PRC or to any political subdivision or taxing authority thereof or therein in connection with (a) the deposit with the Depositary of Shares against the issuance of ADRs evidencing the ADSs, (b) the sale and delivery by the Company of the ADSs and the Shares to or for the respective accounts of the Underwriters or (c) except as disclosed in the Prospectuses, the sale and delivery outside the PRC by the Underwriters of the ADSs and the Shares to the initial purchasers thereof.

16. Other than potential PRC taxes on holders of the ADSs or Shares who are non-residents of the PRC in respect of (i) any payments, dividends or other distributions made on the ADSs or Shares or (ii) gains made on sales of the ADSs or Shares between non-residents of the PRC consummated outside the PRC, there are no other PRC income tax or other taxes or duties applicable to such ADS holders or holders of Shares unless the holder thereof is subject to such taxes in respect of the ADSs or Shares by reason of being connected with the PRC other than by reason only of the holding of the ADSs or Shares or receiving payments in connection therewith.

17. [Except as disclosed in the Prospectuses, all dividends and other distributions declared and payable upon the interests in the WFOE in accordance with its articles of associations and PRC Laws in Renminbi, after full payment of withholding tax, may be converted into foreign currency and transferred out of the PRC, provided that the remittance of such dividends and other distributions out of the PRC is subject to complying with the procedures required by the relevant PRC Laws relating to foreign exchange.]

18. Under PRC Laws, including without limitation the "Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors" (the "**New M&A Rules**"), which was issued by the Ministry of Commerce, the State Assets Supervision and Administration Commission, the State Administration for Taxation, the State Administration for Industry and Commerce, the China Securities Regulatory Commission (the "**CSRC**"), and the State Administration of Foreign Exchange (the "**SAFE**") and became effective on September 8, 2006, neither CSRC approval nor any other Governmental Authorization will be required in the context of the transactions involved in the Offering, including the issue and sale of the Shares and the ADSs, the listing of the ADSs on the NASDAQ Global Market and the deposit of the Shares with the Depositary against issuance of the ADSs evidencing the ADSs to be delivered at such Time of Delivery or the consummation of the transactions contemplated by the Underwriting Agreement, [other agreements] and the Deposit Agreement, because (i) WFOE was incorporated by a foreign-owned enterprise, and there was no acquisition of the equity or assets of a "PRC domestic company" as such term is defined under the New M&A Rules; and (ii) there is no provision in the New M&A Rules that clearly classifies the contractual arrangements between the PRC Companies and the their respective shareholders as a kind of transaction falling under the New M&A Rules. On September 21, 2006, the CSRC published on its official website procedures regarding its approval of overseas listings by special purpose vehicles. However, since the CSRC so far has not issued any definitive rule or interpretation concerning whether offerings like the Company are subject to such procedures, based on our understanding of the PRC Laws, the Company is not required to obtain the approval from CSRC of the listing and trading of the Company's ADSs on the NASDAQ Global Market, unless CSRC or any of the Governmental Agencies clearly requires us to do so in the future..]

19. Subject to applicable provision of the Civil Procedure Law and the General Principles of Civil Law of the PRC relating to submission to foreign jurisdiction for dispute resolution, the choice of law and the irrevocable submission of [each of] the Company [and the Selling Shareholders] to the jurisdiction of New York courts, the waiver by [each of] the Company [and the Selling Shareholders] of any objection to the venue of a proceeding in a New York court, the waiver and agreement not to plead an inconvenient forum, the waiver of sovereign immunity and the agreement of each of the Company [and the Selling Shareholders] that the Underwriting Agreement, [other agreements] and the Deposit Agreement shall be construed in accordance with and governed by the laws of the State of New York (the "**Choice of Law and Related Provisions**") do not conflict with PRC Laws and we have no reason to believe that the Choice of Law and Related Provisions will not be respected by PRC courts. Service of process effected in the manner set forth in the Underwriting Agreement, [other agreements] and the Deposit Agreement will be effective, insofar as PRC Laws are concerned, to confer valid personal jurisdiction over [each of] the Company [and the Selling Shareholders] to a New York court, and any judgment obtained in a New York court arising out of or in relation to the obligations of [each of] the Company [and the Selling Shareholders] under the Underwriting Agreement, [other agreements] and the Deposit Agreement will be recognized in PRC courts subject to the conditions disclosed under the caption "Enforceability of Civil Liabilities" in the Prospectuses.

20. [indemnification and contribution provisions set forth in Section [—] of the Underwriting Agreement and Section [—] of the Deposit Agreement do not contravene any PRC Laws.]

21. [As a matter of PRC Laws, none of the PRC Companies or any of their respective properties, assets or revenues, are entitled to any right of immunity on the grounds of sovereignty or otherwise from any legal action, suit or proceeding, set-off or counterclaim, the jurisdiction of any court in the PRC, service of process, attachment prior to or in aid of execution of judgment, or other legal process or proceeding for the granting of any relief or the enforcement of any judgment.]

22. The issue and sale of the Ordinary Shares, the delivery of the ADSs on the applicable closing date and the deposit of the Ordinary Shares with the Depositary against issuance of the ADRs evidencing the ADSs to be delivered at such closing date and the compliance by the Company with all of the provisions of the Underwriting Agreement, [other agreements] and the Deposit Agreement[, the compliance by the Selling Shareholders with all of the provisions of the Underwriting Agreement, [other agreements] and the consummation of the transactions contemplated in the Underwriting, [other agreements] Agreement and the Deposit Agreement], to the best of our knowledge after due inquiry, will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument governed by the PRC Laws to which any of the PRC Companies is a party or by which any of the PRC Companies is bound or to which any of the property or assets of any of the PRC Companies is subject, nor will such action result in any violation of the provisions of the articles of association, business license or any other constituent documents of any of the PRC Companies or any PRC Laws. [Except as disclosed in the Prospectuses, no Governmental Authorization of or with any Governmental Agency in the PRC is required for (i) the issue and sale of the ADSs and the underlying Ordinary Shares to be sold by the Company [and the sale of the ADSs and the underlying Ordinary Shares to be sold by Selling Shareholders] under the Underwriting Agreement; (ii) the deposit of the Ordinary Shares with the Depositary against issuance of the ADRs evidencing the ADSs to be delivered at the applicable closing date; or (iii) the consummation of the transactions contemplated by the Underwriting Agreement, [other agreements] and the Deposit Agreement.

23. As a matter of PRC Laws, no holder of the ADSs of the Company will be subject to personal liability of any of the PRC Companies, and no holder of the ADSs of the Company who is not a PRC resident after the completion of the offering will be subject to a requirement to be licensed or otherwise qualified to do business or be deemed domiciled or resident in the PRC, by virtue only of holding such ADSs. There are no limitations under PRC Laws on the rights of holders of the ADSs who are not PRC residents to hold, vote or transfer their securities nor are there any statutory pre-emptive rights or transfer restrictions applicable to the ADSs or the Ordinary Shares.

24. The entry into, and performance or enforcement of the Underwriting Agreement, [other agreements] or the Deposit Agreement in accordance with its respective terms will not subject any of the Underwriters or the Depositary to any requirement to be licensed or otherwise qualified to do business in the PRC, nor will any Underwriter or the Depositary be deemed to be resident, domiciled, carrying on business through an establishment or place in the PRC or in breach of any PRC Laws by reason of entry into, performance or enforcement of the Underwriting Agreement, [other agreements] or the Deposit Agreement.

25. [To the best of our knowledge after due inquiry, there are no outstanding guarantees or contingent payment obligations by any of the PRC Companies in respect of indebtedness of third parties.]

26. Nothing has come to our attention, insofar as PRC Laws are concerned, that leads us to believe that (i) as of the time of the execution of the Underwriting Agreement and as of the date hereof, any part of the Registration Statement or the General Disclosure Package (other than the financial statements and related schedules therein, as to which we express no opinion), contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) as of the date hereof any part of the Final Prospectus (other than the financial statements and related schedules therein, as to which we express no opinion), contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

[We hereby consent to the filing of this opinion with the United States Securities and Exchange Commission as an exhibit to the Prospectuses and to the use of and references to our name under the captions “Risk Factors”, “Our History and Corporate Structure”, “Dividend Policy”, “Enforceability of Civil Liabilities”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Business”, “Regulation”, “Related Party Transactions” and “Taxation” in the prospectus included in the Prospectuses.]

Yours faithfully,

/s/ King & Wood

King & Wood

Schedule 1 PRC Affiliates

- Beijing aBitCool Network Technology ("**VNS**")
- Beijing 21ViaNet Broadband Data Center Company Limited ("**VNB**")
- Shanghai Wantong ViaNet Information Technology Company Limited ("**Shanghai Wantong**")
- 21 ViaNet Xi'an BPO Services Limited ("**21 ViaNet Xi'an**")
- Zhi Bo Xin Tong (Beijing) Network Technology Company Limited ("**Zhi Bo Xin Tong**")
- Beijing Cheng Yi Shi Dai Network Company Limited ("**Beijing Cheng Yi Shi Dai**")

Schedule 2 VIE Agreements

Schedule 3 Lease Agreements

Schedule 4 Intellectual Properties

Exhibit 10.1

Share Transfer Agreement

Among

Beijing 21Vianet Broad Band Data Center Co., Ltd.

Ran Cheng

Fahua Xue

Chenghua Hong

Beijing Shidai Tonglian Technology Co., Ltd.

Beijing Chengyi Shidai Network Technology Co., Ltd.

And

Zhibo Xintong (Beijing) Network Technology Co., Ltd.

September 21, 2010

Contents

This Share Transfer Agreement (the "**Agreement**") was executed on September 21, 2010 by the following parties:

Beijing 21Vianet Broad Band Data Center Co., Ltd., a limited liability company duly incorporated and validly existing according to laws of the People's Republic of China (the "**P.R.C.**") and (Business License No.: 110105009411300) ("**21Vianet**")

Registered address: 3/F, No. 5 Building, Courtyard, No.1 Jiuxianqiao East Road, Chaoyang District, Beijing;

Beijing Shidai Tonglian Technology Co., Ltd., a limited liability company duly incorporated and validly existing according to laws of the People's Republic of China (the "P.R.C.") and (Business License No.: 110101013177695) ("**SDTL**")

Registered address: Room 906, 9/F, No.90 Building, Guangqumennei Avenue, Dongcheng District, Beijing;

Ran Cheng, shareholder of SDTL, ID No.: 131002197604234436

Fahua Xue, shareholder of SDTL, ID No.: 41090119790908401X

Chenghua Hong, shareholder of SDTL, ID No.: 350104197503150071

(Ran Cheng, Fahua Xue, Chenghua Hong and SDTL are collectively referred to as the "**Original Shareholders**", and Ran Cheng is referred to as the "**Actual Controller**")

Beijing Chengyishidai Network Technology Co., Ltd., a limited liability company duly incorporated and validly existing according to laws of the People's Republic of China (the "P.R.C.") and (Business License No.: 110106006279869) ("**CYSD**")

Registered address: Room 423-A, No.110 Zaojia Street, Fengtai District, Beijing;

Zhibo Xintong (Beijing) Network Technology Co., Ltd., a limited liability company duly incorporated and validly existing according to laws of the People's Republic of China (the "P.R.C.") and (Business License No.: 110108010358010) ("**ZBXT**")

Registered address: Room 5307, Lixiang Plaza, No.111 Zhichun Road, Haidian District, Beijing;

The above 21Vianet, the Original Shareholders, CYSD, ZBXT and the Actual Controller are collectively referred to as the "**Parties**", and individually referred to as one "**Party**".

Whereas,

1. SDTL is the current shareholder of CYSD, and holds 100% of CYSD.
2. SDTL is the current shareholder of ZBXT, and holds 100% of ZBXT.
3. Ran Cheng, Fahua Xue and Chenghua Hong are shareholders of SDTL, whose shareholding percentages are 70%, 20% and 10%, respectively.
4. ZBXT is a shareholder of Beijing Bozhi Ruihai Network Technology Co., Ltd., Beijing Bikong Hengtong Network Technology Co., Ltd., Fuzhou Yongjiahong Communication Technology Co., Ltd. and Xingyun Hengtong (Beijing) Network Technology Co., Ltd., and holds 100% of the above four companies.
5. Ran Cheng is the Actual Controller of the Target Companies (defined as follows).
6. 21Vianet proposes to purchase the Target Companies from SDTL according to the terms, conditions and procedures of this Agreement, which means the purchase of shares of CYSD and ZBXT.

Therefore, the Parties, under the principle of equality and mutual benefit and through friendly consultation, entered into the following agreement, regarding the purchase by 21Vianet of the shares of the Target Companies held by SDTL and relevant matters, according to the Company Law of the People's Republic of China, the Regulations on Administration of Company Registration of the People's Republic of China and other laws and regulations of the People's Republic of China:

I. Definitions

Unless otherwise stipulated by this Agreement, under this Agreement the following terms mean:

CYGF	means	Beijing Chengyishidai Technology Stock Co., Ltd., a company limited by shares duly incorporated and validly existing according to the P.R.C. laws (Business License No.: 110000012468328); the registered address: Room 109, No.4 Building, Zi Jin Manor, 68 Wanquanhe Road, Haidian District, Beijing; the registered capital: RMB 10 million.

BZRH	means	Beijing BozhiRuihai Network Technology Co., Ltd., a limited liability company duly incorporated and validly existing according to the P.R.C. laws (Business License No.: 110108011492996); the registered address: Room 218, B Tower, 115 Fucheng Road, Haidian District, Beijing; the registered capital: RMB 1 million.
BKHT	means	Beijing Bikonghengtong Network Technology Co., Ltd., a limited liability company duly incorporated and validly existing according to the P.R.C. laws (Business License No.: 110106011450466); the registered address: Room 412, No.1 Building, No.1 Courtyard, Dajingdong Lane, Fengtai District, Beijing; the registered capital: RMB 1 million.
YJH	means	Fuzhou Yongjiahong Communication Technology Co., Ltd., a limited liability company duly incorporated and validly existing according to the P.R.C. laws (Business License No.: 350102100041306); the registered address: Room 702, Tower 1, No.21 Long Ting Jing, Gulou District, Fuzhou; the registered capital: RMB 1 million.
XYHT	means	Xingyunhengtong (Beijing) Network Technology Co., Ltd., a limited liability company duly incorporated and validly existing according to the P.R.C. laws (Business License No.: 110106010825761); the registered address: 9A, No.2 Building, Youanmenwai Avenue, Fengtai District, Beijing; the registered capital: RMB100,000.
Affiliates of ZBXT	means	BZRH, BKHT, YJH and XYHT
Pre-IPO Company	means	AsiaCloud Inc., a company duly incorporated and validly existing according to the laws of Cayman Islands.
Target Companies	mean	CYSD, ZBXT, BZRH, BKHT, YJH and XYHT

LX	means	Lanxin Network Co., Ltd.
Big Four Accounting Firms	means	Price Waterhouse Coopers, Deloitte Touche Tohmatsu, KPMG and Ernest & Young
Working Day	means	Any day except for Saturday, Sunday and the statutory holidays of China
Framework Agreement	means	The Framework Agreement negotiated and officially executed by the Parties on April 30, 2010.
US GAAP	means	US Generally Accepted Accounting Principles
P.R.C.	means	The People's Republic of China, not including Hong Kong, Macao and Taiwan for the purpose of this Agreement.

II. Share Purchase

2.1 Price and Percentage of Share Purchase

2.1.1 21Vianet agrees to purchase 51% of the shares of CYSD and 51% of the shares of ZBXT held by SDTL at the price of RMB fifty million (RMB 50,000,000) ("**Share Purchase Price**") and under other conditions agreed by both parties according to the stipulations of this Agreement (the "**First Purchase**").

2.1.2 Share Percentage after the Share Purchase

The Parties agree that after the First Purchase each shareholder's share percentage in CYSD is changed as follows:

Shareholder's Name	Share Percentage
21Vianet	51%
SDTL	49%
Total	100%

Each shareholder's share percentage in ZBXT is changed as follows:

Shareholder's Name	Share Percentage
21Vianet	51%
SDTL	49%
Total	100%

2.2 Price Base For Share Purchase

2.2.1 The Parties of this Agreement agree unanimously that regarding the aforementioned share purchase by 21Vianet under Article 2.1.1, the share purchase price to be paid by 21Vianet shall be adjusted accordingly, in accordance with Article IX of this Agreement.

2.2.2 The Parties of this Agreement agree unanimously that the Share Purchase Price is 6 times of the net profits of the Target Companies in 2011 as audited according to the US GAAP, which is 100% of the equity value of the Target Companies. The Parties of this Agreement further confirm that the Share Purchase Price shall be adjusted pursuant to the Performance Commitment of Exhibit IX and other stipulations of this Agreement.

2.3 Payment of the Share Purchase Price

Unless otherwise stipulated by the Parties, the schedule and time of payment of the Share Purchase Price by 21Vianet are as follows:

2.3.1 Upon execution of this Agreement, 21Vianet has paid RMB twenty-five million (RMB25,000,000) to the bank account designated by the Actual Controller.

2.3.2 If it is confirmed by 21Vianet that the preconditions of the second payment of this Agreement (the "**First Closing Conditions**") have been fully satisfied and ZBXT could execute the enforceable Purchase Through Lease Agreement in relation to optical fiber lines of 16,000 km with LX before September 1, 2011, 21Vianet will pay anther RMB twenty-five million (RMB25,000,000) to the bank account designated by the Actual Controller ten working days after effectiveness of such Purchase Through Lease Agreement. In addition, any cost arising from the execution of such Purchase Through Lease Agreement in relation to optical fiber lines of 16,000 km with LX shall be deducted from the RMB twenty-five million (RMB25,000,000).

2.3.3 Upon satisfaction of preconditions of the third payment under this Agreement (the "**Second Closing Conditions**"), at the end of June 2012, 21Vianet shall make the final payment of RMB twenty-five million (RMB25,000,000) to the bank account designated by the Actual Controller (the "**Payment Date of Final Payment**").

2.3.4 The payment amount under Article 2.3.3 may be adjusted according to Article IX of this Agreement, including but not limited to deduction of the contingent liabilities that the Original Shareholders, the Target Companies and the Actual Controller may be subject to under this Agreement.

2.3.5 Pursuant to the requirements of Article 2.3.2 and Article 2.3.3 of this Agreement, the date when 21Vianet pays to the bank account designated by the Actual Controller (the "**Closing**") is referred to as the "**Closing Date**", which shall be determined specifically in this Agreement based on the actual occurring date of the second payment and the third payment.

2.3.6 21Vianet shall pay the price for Share Transfer timely according to Article II of this Agreement. If 21Vianet fails to make payment in time, it shall pay the Actual Controller the daily default interest in the amount of 1 ‰ of the outstanding amount. If the payment is delayed by more than 20 working days, the Actual Controller is entitled to terminate this Agreement and the share transfer under this Agreement.

III. Representations and Warranties of the Original Shareholders, Target Companies and Actual Controller

The Original Shareholders, Target Companies and the Actual Controller hereby make joint and several representations and warranties as set forth in Exhibit I of this Agreement upon execution of this Agreement and on each Closing Date (the Original Shareholders, Target Companies and the Actual Controller shall promptly notify 21Vianet if any occurrence prior to the Closing Date cause or may cause the following representations and warranties untrue). With respect to the second Closing Date, if the joint and several representations and warranties as set forth in Exhibit I of this Agreement made by the Original Shareholders, Target Companies and the Actual Controller are no longer true, accurate and complete due to the reason of 21Vianet or the relevant personnel appointed to the Company by 21Vianet, the Original Shareholders, Target Companies and the Actual Controller shall not assume any liability arising therefrom.

IV. Representations and Warranties of 21Vianet

21Vianet hereby makes the following representations and warranties on the execution of this Agreement and on each Closing Date:

4.1 21Vianet shall promptly notify the Original Shareholders, Target Companies and the Actual Controller if any occurrence before each Closing Date causes or may cause the following representations and warranties untrue.

4.2 The legal status and capability of 21Vianet. 21Vianet is duly established and validly existing according to the P.R.C. laws, and has complete and independent legal status and legal capability to execute, deliver and perform this Agreement, and it could act independently as a party to litigantion.

4.3 The execution and performance of this Agreement by 21Vianet will not violate the articles of association of 21Vianet or any agreements, contracts, memorandums, letter of intent or other documents entered into by 21Vianet with other third parties, and will not violate the P.R.C. laws and regulations.

4.4 Authorization. 21Vianet has full right and has duly obtained full authorization and internal approval to execute, deliver and perform this Agreement.

4.5 Notwithstanding the stipulations of Article 10.2 under this Agreement, 21Vianet shall waive its right to terminate this Agreement based on the following reasons under Article 10.2, if 21Vianet express its satisfaction about the following materials on the first Closing Date: (a) legal opinion regarding this Agreement provided by the attorneys of the Target Companies, (b) the financial due diligence reports of the Target Companies, (c) the non-compete commitment letter executed by the Original Shareholders, the Target Companies, the Actual Controller and CYGF, (d) the non-compete commitment letter executed by the key personnel of the Target Companies set forth in Exhibit III (including but not limited to the original key personnel of CYGF who are proposed to be transferred to the Target Companies).

V. Further Undertakings

5.1 The Target Companies undertake, and the Original Shareholders and Actual Controller undertake to procure the Target Companies to undertake that upon execution of this Agreement:

5.1.1 The Target Companies shall carry out business in the ordinary course of business, and shall not make, or agree to make, or promise to make any payment exceeding the amount of RMB 150,000 outside the normal payment during its normal transaction process.

5.1.2 The Target Companies shall continue to maintain the relationship with clients to ensure that the goodwill and operation of the Target Companies will not be adversely affected after the completion of share transfer.

5.1.3 The Target Companies shall not distribute dividends or repurchase shares, nor shall they carry out any abnormal transactions or assume any abnormal liabilities, without the consent of 21Vianet.

5.1.4 The Target Companies shall not pay the account payables in advance or in delay without the consent of 21Vianet; shall not pay any loans from the business activities outside the normal business scope, without the consent of 21Vianet.

5.1.5 The Target Companies shall timely perform the contract, agreement or other documents previously entered into with regard to the assets and business of the Target Companies.

5.1.6 The Target Companies shall not reach settlement by themselves or waive or change their claims or other rights in lawsuit without prior written consent of 21Vianet.

5.1.7 The Target Companies shall use their best effort to ensure that the Target Companies are in duly operation and have obtained all the government approvals and other approvals and permissions necessary for their operations.

5.1.8 The Target Companies shall not be divided, merge with third parties or purchase assets or business from third parties, without the consent of 21Vianet.

5.1.9 The Target Companies shall not violate the representations and warranties clause hereunder.

5.1.10 The Target Companies shall timely notify 21Vianet in writing of any events, facts, conditions, changes or other circumstances that have affected, or may affect, the Target Companies substantially and adversely.

5.1.11 The Target Companies shall deal with the tax issues of the Target Companies in usual manners strictly according to applicable laws and regulations.

5.1.12 The Target Companies shall obtain information. During the normal working time of the Target Companies, continue to provide 21Vianet and its representatives with the materials of the Target Companies reasonably required by 21Vianet and its representatives, including to fully provide the attorneys, accountants and other representatives appointed by 21Vianet and its representatives with all the accounts, records, contracts, technical materials, personnel materials, management and other documents; in order to get a further understanding of the properties, assets, business of the Target Companies and documents referred to in this Agreement by 21Vianet, the Original Shareholders, the Target Companies and the Actual Controller permit 21Vianet to contact with the clients and creditors of the Target Companies on the condition that it will not affect or disturb the business operation of the Target Companies. The Original Shareholders, the Target Companies and the Actual Controller agree that 21Vianet may conduct prudent review over the finance, assets and operation of the Target Companies before Closing.

5.2 The Target Companies undertake and the Original Shareholders and the Actual Controller undertake and shall procure that the original shareholders and the senior management of the Target Companies and the Affiliates of the Target Companies undertake that after the first Closing of this Agreement,

5.2.1 they shall strictly perform their respective non-compete obligations and ensure that CYGF strictly perform its non-competition obligations.

5.2.2 Between 2011 and 2013, the business performance of the Target Companies shall meet the standard undertaken in Exhibit IX of this Agreement.

5.2.3 Between 2010 and 2012, the business performance of the Target Companies shall meet the standard undertaken in Exhibit X of this Agreement.

5.2.4 The Board of Directors of the Target Companies shall be reorganized within five working days after the first Closing Date. The reorganized Board of Directors of the Target Companies shall include five members, three of which shall be appointed by 21Vianet and the other two members shall be appointed by the Original Shareholders and the Actual Controller.

5.2.5 Within five working days after the first Closing Date, the person appointed by 21Vianet shall act as the core network engineer who shall report to Ran Cheng, such person shall have superior management authority over all network devices and actually participate in the routine management and maintenance of the network of the Target Companies.

5.2.6 The Target Companies will not compete with 21Vianet in the ISP market using the business resources provided to it by 21Vianet in Exhibit X. 21Vianet is entitled to terminate the business resources service under Exhibit X of this Agreement in the event of breach and reserves the right to recover losses arising therefrom.

5.2.7 Within 30 working days after the first Closing Date, SDTL will contribute to CYSD RMB 5 million and contribute to ZBXT RMB 15 million in the manner permitted by laws and regulations, based on its account receivables in CYSD and ZBXT.

5.3 The Actual Controller hereby make the following undertakings: after the execution of this Agreement, all the liabilities not disclosed in the legal due diligence and financial due diligence, or the financial, legal and other risks, liabilities and responsibilities of the Target Companies due to the events and reasons of the Target Companies and/or the Original Shareholders and/or the Actual Controller existing before the Purchase, shall be fully borne by the Actual Controller. In addition, if any company controlled by the Actual Controller propose to retain or apply for any telecommunication service license competing with the existing business of 21Vianet, it shall obtain the prior consent of 21Vianet.

5.4 21Vianet further undertakes to the Original Shareholders, the Target Companies and the Actual Controller that after the execution of this Agreement:

5.4.1 Where the performance of the Target Companies, the fixed assets and the network capability meet the standards of 2011, 2012 and 2013 as determined in the Exhibits of this Agreement, 21Vianet will not reorganize the current management members within 12 months from each satisfaction of the above annual standards. As long as the net profits of the Target Companies in 2011 audited according to the US GAAP amount to RMB thirty Million (RMB30,000,000), 21Vianet agrees to maintain the leadership of the senior management of the Actual Controller within at least three years after the execution of this Agreement.

5.4.2 While SDTL makes additional contributions to CYSD and ZBXT according to Article 5.2.7 of this Agreement, 21Vianet will make additional cash contributions to CYSD and ZBXT. The total cash amounts contributed to the above two companies will be no less than either of the following amounts (whichever is higher): (1) 1.0408 times of the net cash reflected on the account of the Target Companies on August 31, 2010 (the net cash=business receivable – business payables + business prepayment – business advance receipt + the cash on account); or (2) RMB 20.8163 million (or necessary amount), to ensure that the share percentage of 21Vianet in CYSD and ZBXT remain 51% after the capital increase of the Target Companies. If 21Vianet's share percentage is more than 51% after contributing the aforementioned amount, 21Vianet shall reduce its additional contribution accordingly, and the reduced contribution shall be made to other Target Companies in other manners permitted by law.

5.4.3 21Vianet will not compete with the Target Companies in the ISP market using the business resources provided to it by the Target Companies. The Target Companies are entitled to terminate the network service under Exhibit X of this Agreement in the event of breach and reserve the right to recover losses.

5.4.4 21Vianet will provide CYSD, ZBXT and their affiliates with 30 exit bandwidth resources of China Telecom outside of Beijing, Shanghai, Guangzhou and Shenzhen, the price of which is RMB 50,000/month/G.

5.5 The Parties agree that the Board of Directors of each Target Companies shall consist of five members, three of which shall be appointed by 21Vianet and two by the Original Shareholders, before the first Closing Date.

5.6 The Parties agree that 21Vianet will recommend a person responsible for the Target Companies' finance and stipulate the duties in the articles of association at the same time as the formation of the Board of Directors referred to in Article 5.5 of this Agreement.

5.7 The Parties agree that all funds required for the data network establishment in the core data network shall be provided by 21Vianet, and shall be carried out in the name of 21Vianet. The use by one Party of the other Party's business resources shall be carried out according to Exhibit X, unless otherwise required by government authorities.

VI. Closing Conditions

Unless 21Vianet makes waiver in writing, the payment obligations of the Share Purchase Price by 21Vianet on each Closing is subject to the satisfaction of each Closing Condition set forth in Exhibit II (A) of this Agreement

Unless the Original Shareholders and the Actual Controller make waiver in writing, the performance of share transfer obligations by the Original Shareholders and the Actual Controller on each Closing is subject to the satisfaction of each Closing Condition set forth in Exhibit II (B) of this Agreement

VII. Incentive Scheme

The Parties agree that 21Vianet shall implement the incentive scheme on the Actual Controller of the Target Companies according to the performance of the Target Companies in 2011, 2012 and 2013, and the implementation manner and arrangement will be agreed separately.

VIII. Purchase Option

The Parties agree 21Vianet has the option to purchase the remaining 49% shares (or the actual remaining share percentage) held by SDTL in the Target Companies in one lump sum, but the option must be exercised during the time limit set forth in the following Article 8.1.

8.1 Exercise Time

8.1.1 Prior to December 31, 2011, 21Vianet has the right to notify the Original Shareholders, the Target Companies and the Actual Controller in writing to purchase the 49% shares held by SDTL in CYSD and ZBXT respective (or the actual remaining share percentage).

8.1.2 The written notice in Article 8.1.1 is referred to as "**Exercise Notice**".

8.2 Exercise Price

8.2.1 If 21Vianet exercises the option during the above time limit under Article 8.1.1, the share purchase price ("**Exercise Price**") paid shall be as follows: the first Share Purchase Price adjusted according to the stipulations of this Agreement÷51%×2×49% (or the actual remaining share percentage)

8.2.2 Under any circumstances, the maximum Exercise Price shall be as follows: RMB 50 million×2×the actual remaining share percentage ÷49% (if ZBXT duly executes the enforceable Purchase Through Lease Agreement in relation to optical fiber lines of 16,000 km with LX according to this Agreement, the maximum Exercise Price shall be adjusted to RMB 75 million×2×the actual remaining share percentage ÷49%).

8.3 Payment Conditions, Payment Time, Amount and Method of Payment:

8.3.1 The Payment Conditions are as follows: (1) 21Vianet issues the option exercise notice, (2) the change of registration regarding the Target Companies' share ownership with the industrial and commercial authority has been completed, (3) the changes of directors, supervisors and legal representative of the Target Companies have been completed, (4) the 2011 annual audit on the Target Companies have been completed.

8.3.2 The payment time will be negotiated by the Parties separately.

8.3.3 The amount of payment shall be the Exercise Price determined pursuant to Article 8.2 of this Agreement.

8.3.4 Payment shall be made in RMB cash in P.R.C. and in a lump sum.

8.4 Adjustment of Exercise Price

8.4.1 When the first Purchase Price is adjusted according to Article IX of this Agreement, the Exercise Price shall be adjusted according to the adjustment of the first purchase price simultaneously.

8.4.2 If the Exercise Price already paid to SDTL and the Actual Controller is more than the adjusted Exercise Price, the Original Shareholders and the Actual Controller shall refund the difference to 21Vianet within 15 days from the date when the net profits of the Target Companies in 2011 (defined as in Article 9.1.1) are determined.

IX. Adjustment of Purchase Price

9.1 Adjustment of Share Purchase Price and Exercise Price

9.1.1 The Parties agree as follows:

(1) The Share Purchase Price of the first purchase shall be adjusted accordingly according to the net profits of the Target Companies under the US GAAP in 2011 audited by one of the Big Four Accounting Firms ("**Net Profits of the Target Companies in 2011**"), the net profits of the Target Companies under the US GAAP in the first quarter of 2011 audited by one of the Big Four Accounting Firms ("**Net Profits of the Target Companies in the First Quarter of 2011**") and the net profits of the Target Companies under the US GAAP in the second quarter of 2011 audited by one of the Big Four Accounting Firms ("**Net Profits of the Target Companies in the Second Quarter of 2011**"):

(2) If the Net Profits of the Target Companies in the First Quarter of 2011 amount to RMB 10 million and the Net Profits of the Target Companies in the Second Quarter of 2011 amount to RMB 10 million, the Share Purchase Price of the first purchase shall be one of the following, whichever is lower: (i) the net profits of the Target Companies in 2011×5×51%×50% (if ZBXT duly executes the enforceable Purchase Through Lease Agreement in relation to optical fiber lines of 16,000 km with LX according to this Agreement, the Share Purchase Price shall be adjusted to: net profits in 2011×6×51%×50%), (ii) RMB 75 million (if ZBXT does not execute the enforceable Purchase Through Lease Agreement in relation to optical fiber lines of 16,000 km with LX according to this Agreement, the Share Purchase Price shall be adjusted to RMB 50 million).

(3) If the Net Profits of the Target Companies in the First Quarter of 2011 fail to reach RMB 10 million or the Net Profits of the Target Companies in the Second Quarter of 2011 fail to reach RMB 10 million, the Share Purchase Price of the first purchase shall be one of the following, whichever is lower:(i) the net profits of the Target Companies in 2011×5×51%×50%×80% (if ZBXT duly executes the enforceable Purchase Through Lease Agreement in relation to optical fiber lines of 16,000 km with LX according to this Agreement, the Share Purchase Price shall be adjusted to: net profits in 2011×6×51%×50%×80%), (ii) RMB 75 million (if ZBXT does not execute the enforceable Purchase Through Lease Agreement in relation to optical fiber lines of 16,000 km with LX according to this Agreement, the Share Purchase Price shall be adjusted to RMB 50 million).

(4) If the Net Profits of the Target Companies in the First Quarter of 2011 fail to reach RMB 10 million and the Net Profits of the Target Companies in the Second Quarter of 2011 fail to reach RMB 10 million, the Share Purchase Price of the first purchase shall be one of the following, whichever is lower: (i) the net profits of the Target Companies in 2011×5×51%×50%×70% (if ZBXT duly executes the enforceable Purchase Through Lease Agreement in relation to optical fiber lines of 16,000 km with LX according to this Agreement, the amount hereof shall be adjusted to: net profits in 2011×6×51%×50%×70%), (ii) RMB 75 million (if ZBXT does not execute the enforceable Purchase Through Lease Agreement in relation to optical fiber lines of 16,000 km with LX according to this Agreement, the Share Purchase Price shall be adjusted to RMB 50 million).

9.1.2 Since 2010, if any account receivable of the Target Companies fails to be collected within one year from the date of such account receivable, it shall be deemed as bad debts and shall be settled against the net profits of the current year.

9.1.3 When 21Vianet pays the final payment according to this Agreement: (1) if the cash paid by 21Vianet to SDTL and the Actual Controller is more than the adjusted Share Purchase Price of the first purchase, the Original Shareholders and the Actual Controller shall refund the difference to 21Vianet, or pay part or all of the remaining 49% shares in the Target Companies to 21Vianet based on the valuation basis used in the adjusted first Share Purchase Price before 21Vianet has exercised its option; (2) if the net profits of the Target Companies in 2011 are less than RMB twenty million (RMB20,000,000) (if ZBXT does not execute the enforceable Purchase Through Lease Agreement in relation to optical fiber lines of 16,000 km with LX according to this Agreement, item (2) shall be that "if the net profits of the Target Companies in 2011 are less than RMB Sixteen Million Six Hundred and Sixty Six Thousand Six Hundred and Sixty Seven (RMB16,666,667)"), the Original Shareholders and the Actual Controller shall refund the shortfall to 21Vianet, or pay part or all of the remaining 49% shares in the Target Companies to 21Vianet based on the same valuation basis before 21Vianet has exercised its option.

9.1.4 If the audited net profits of the Target Companies under the US GAAP in 2011 fail to reach RMB thirty million (RMB30,000,000), the legal representatives and the general managers of the Target Companies shall be appointed by 21Vianet.

9.1.5 Adjustment Methods

The Parties agree that the adjust methods shall include:

(i) Adjustment to the final payment in Article 2.3.3 of this Agreement;

(ii) Adjustment to the Exercise Price according to Article 8.4 of this Agreement;

(iii) Adjustment to the Incentive Scheme in Article VII of this Agreement;

(iv) Adjustment to the shareholding structure of the Target Companies according to Article 9.1.3;

(v) Adjustment to the method that the Original Shareholders, the Target Companies and the Actual Controller make cash payment to 21Vianet;

(vi) Other adjustment methods otherwise agreed by the parties.

9.1.6 Special Stipulations regarding the RMB twenty-five million loan (RMB25,000,000)

(i) Within ten working days after 21Vianet confirms the first Closing Conditions of this Agreement have been satisfied, the company designated by 21Vianet shall provide the Actual Controller or the entities or persons designated by the Actual Controller (the "**Borrower**") with a loan of RMB twenty-five million (RMB25,000,000). The term of loan is from the occurrence of this loan to the make of the final payment (expected to be at the end of June 2012).

(ii) When 21Vianet makes the final payment according to this Agreement, if (1) the Borrower makes full repayment of the above loan, and (2) the audited net profits of the Target Companies under the US GAAP in 2011 are less than RMB thirty million (RMB30,000,000), 21Vianet shall provide the Actual Controller with share incentive through the offshore companies of 21Vianet. The value used for the incentive shall be no less than RMB 25 Million (RMB25,000,000).

(iii) Notwithstanding the above stipulations of Paragraph (ii), when 21Vianet makes the final payment according to this Agreement, the offshore companies of 21Vianet will not provide the Actual Controller with the additional share incentive if the Borrower fails to make fully repayment of the loan. At the same time, 21Vianet waives the creditor's right of RMB twenty-five million (RMB25,000,000).

X. Breach and Termination of Contract

10.1 Compensation for Breach of Contract

10.1.1 Any violation of or refusal to perform the representations, warranties, obligations or responsibilities by either Party to this Agreement shall constitute breach of contract.

10.1.2 Unless otherwise specified in this Agreement, if any Party ("**Breaching Party**") breaches this Agreement and causes other Parties to bear any cost, responsibility or loss, such Breaching Party shall compensate other Parties ("**Non-Breaching Party**") for any of the above cost, responsibility or definable loss, and the total amount of compensation paid to the Non-Breaching Party shall be equal to the loss caused by the breach. If any one of the Original Shareholders, the Target Companies and the Actual Controllers breach this Agreement, causing 21Vianet to suffer losses, the Original Shareholders, the Target Companies and the Actual Controllers shall make joint and several compensation. The "**Definable Loss**" refers to the damages, expenses, costs, liability, losses, defects, losses of value, responsibilities or fines caused by the breach which can be foreseen or ought to be foreseen when the Breaching Party entered into this Agreement. However, the compensation shall not exceed the reasonable expectations of the Parties hereto.

10.1.3 Any liability or responsibility caused by illegal acts, violations or breaches by the Target Companies existing before the first Closing Date shall be assumed by the Original Shareholders, the Target Companies and the Actual Controllers jointly and severally, regardless of whether these liabilities or responsibilities have been disclosed.

10.1.4 If any Party other than 21Vianet proposes to terminate this Agreement without the consent of 21Vianet before the first Closing, the Actual Controllers shall pay relevant liquidated damages to 21Vianet, and the amount of the liquidated damages is RMB thirty million (RMB30,000,000), while the other Parties shall be jointly and severally liable.

10.1.5 If 21Vianet proposes to terminate this Agreement without the consent of the Actual Controllers before the first Closing, 21Vianet shall pay relevant liquidated damages to the Actual Controllers, and the amount of the liquidated damages is RMB thirty million (RMB30,000,000).

10.2 Termination.

If any of the following occurs, 21Vianet is entitled to terminate this Agreement, require the Actual Controllers and Original Shareholders to return the paid Share Purchase Price and the Exercise Price and to compensate all the losses incurred by 21Vianet according to Article 10.1.

10.2.1 Any material breach of this Agreement by any other Party other than 21Vianet (except as disclosed in Exhibit VI by the Actual Controllers and the Original Shareholders) shall include but not limited to (a) any material breach of the representations and warranties, undertakings, and closing conditions of this Agreement, (b) failure of the Target Companies to provide legal opinion with regard to this Agreement to 21Vianet's satisfaction, (c) failure to provide financial due diligence report to 21Vianet's satisfaction, (d) failure of the Original Shareholders, the Target Companies, the Actual Controllers or CYGF to sign a non-competition undertakings letter to 21Vianet's satisfaction, (e) failure of the key staff of the Target Companies listed in Exhibit III (including but not limited to the original key staff of CYGF to be transferred to the Target Companies) to sign the non-competition undertakings letter to 21Vianet's satisfaction, and (f) false transactions in the financial accounts of the Target Companies.

10.2.2 The share purchase hereunder is ordered or required by any government agency or authority to be stopped or cancelled.

10.2.3 Other circumstances causing the Closing hereunder unable to be completed due to reasons not attributable to 21Vianet.

If any of the following occurs, the Original Shareholders and the Actual Controllers are both entitled to terminate this Agreement:

10.2.4 Any material breach of this Agreement by 21Vianet, including but not limited to any material breach of the statements, representations and warranties, and undertakings hereunder.

10.2.5 The share purchase hereunder is ordered or required by any government agency or authority to be stopped or cancelled.

10.2.6 Other circumstances causing the Closing hereunder unable to be completed due to reasons not attributable to the Target Companies, the Original Shareholders or the Actual Controllers.

In the event that this Agreement is terminated according to the above provisions, all the Parties shall be obliged to take all actions to recover to the circumstances as they were before the first closing, i.e.: the Actual Controllers and Original Shareholders have the obligation to immediately return the Share Purchase Price and the Exercise Price paid by 21Vianet; at the same time, 21Vianet has the obligation to return all the shares to SDTL or the person or entity designated by the Actual Controllers according to this Agreement.

XI. Confidentiality

11.1 All terms of this Agreement and this Agreement itself are confidential information. The Parties shall not disclose the confidential information to any third party, except to relevant officers, directors, employees, agents or professional advisors involved in relevant project hereunder, provided that such staff are necessary to know this Agreement and related information; however, disclosure of the information regarding this Agreement to the government, public or shareholders or submission of this Agreement to relevant government authorities according to requirements under the laws is exempted.

11.2 This Article XI shall survive change, termination or expiration of this Agreement.

XII. Notice

12.1 Form of the Notice

Any notice or other communications ("**Notice**") under this Agreement or related to this Agreement shall be:

12.1.1 in writing;

12.1.2 written in Chinese; and

12.1.3 delivered to the recipient address or the fax number listed in Article 12.3 of this Agreement through personal courier, mail, reputable express companies or fax.

12.2 Accepted Notice Delivery

Unless there is any evidence showing that the relevant notice has been received at an earlier time, the delivery date of the notice shall be determined in the following ways:

12.2.1 On the day the notice is left at the address under Article 12.3, if sent by personal courier.

12.2.2 On the third working day after being sent by mail, if being sent by DHL or similar express companies.

12.2.3 When the fax machine of the sending party confirms delivery, if being sent via fax.

12.3 Address and fax number

Party	Delivery Address	Fax No.	Designated Recipient
21Vianet	Building M5, No.1, Jiuxianqiao East Road, Chaoyang District, Beijing	(010) 8456 4234	Yuhang Liu (□□□)
Original Shareholders	8F, Beijing Telecommunication Engineering Bureau, No.2, Xi Zhao Si Avenue, Chongwen District, Beijing	(010) 6715 8089	Yang Shu (□□)
Target Companies	8F, Beijing Telecommunication Engineering Bureau, No.2, Xi Zhao Si Avenue, Chongwen District, Beijing	(010) 6715 8089	Yang Shu (□□)
Actual Controller	8F, Beijing Telecommunication Engineering Bureau, No.2, Xi Zhao Si Avenue, Chongwen District, Beijing	(010) 6715 8089	Yang Shu (□□)

XIII. Governing Law and Judicial Jurisdiction

13.1 Governing Law

This Agreement is governed by the laws of the P.R.C.

13.2 Negotiation

Each Party shall use its reasonable efforts to negotiate and resolve any dispute that may arise under this Agreement or in relation to this Agreement (including but not limited to any dispute on the existence, validity or termination or invalidity of this Agreement). Such negotiation shall start immediately upon one Party’s receiving of the written notice requiring negotiation from other Parties.

13.3 Arbitration

If the dispute cannot be solved within one (1) month after the written notice has been sent, it shall be submitted to China International Economic and Trade Arbitration Commission ("**CIETAC**") and be subject to the then effective arbitration rules. The arbitration and the hearing shall be held in Beijing. The arbitral award by CIETAC is final, and shall be binding on the Parties. The arbitration shall be in Chinese.

13.4 Appointment of Arbitrators

The arbitral tribunal shall be composed of three arbitrators. The Parties agree that the appointment of any arbitrator could be within or outside of the Panel of Arbitrators of CIETAC. Among which, 21Vianet will appoint one arbitrator, while the Actual Controllers will appoint one arbitrator. The third arbitrator shall be appointed by 21Vianet and the Actual Controllers jointly. If 21Vianet and the Actual Controllers fail to reach an agreement on the candidate of the third arbitrator within five working days, the Chairman of the CIETAC shall appoint one.

13.5 The Effectiveness of this Agreement during the Arbitration

During the process of any arbitration according to this Agreement, this Agreement shall remain in full force and effect in all aspects except for the dispute in arbitration, and the Parties shall continue to perform their obligations under this Agreement (except for the obligations related to dispute matters) and to exercise their rights under this Agreement.

XIV. General Provisions

14.1 No assignment. Under this Agreement, no Party shall assign any right or obligation under this Agreement to any third party without the unanimous consent of the other Parties.

14.2 Amendment. The amendment of this Agreement must be made in writing, and shall take effect after being signed by the Parties or their representatives.

14.3 Failure or Delay to Exercise Rights. Failure or delay to exercise certain rights or remedies conferred by this Agreement or laws shall not damage or constitute a waiver of those rights or remedies, and shall not damage or constitute a waiver of any other right or remedy. Partial exercising of certain rights stipulated under this Agreement or prescribed by law shall not prevent further exercise of such rights or remedies, or exercise of other rights or remedies.

14.4 Non-Exclusive Remedy. The rights and remedies of each Party contained in this Agreement are cumulative, and do not exclude the rights or remedies conferred by law.

14.5 Continuous Binding Effect. This Agreement shall binding on any successor of the Parties of this Agreement.

14.6 Severability. The invalidity, illegality or unenforceability of any article hereunder shall not affect the validity of other articles.

14.7 Entire Agreement. This Agreement constitutes the entire and sole agreement made by the Parties on the subject of this Agreement, and shall supersede any previous agreements, contracts, framework agreements, memoranda of understanding, and communications, whether oral or in writing, among the Parties with respect to the subject of this Agreement.

14.8 This Agreement shall take effect after being duly signed by the Parties. The Parties agree that in order to register the industrial and commercial changes with relevant Industrial and Commercial Administration Authorities on the share transfer, the Parties shall sign a short form of share transfer agreement (“Simplified Share Transfer Agreement”) whose form and contents are as the one in Exhibit V, while signing this Agreement. The terms of the Short Form Share Transfer Agreement shall be based on the relevant contents of this Agreement, and shall not be in conflict with or contradict with this Agreement. If there is any conflict or contradiction, the contents of this Agreement shall prevail.

This page is intentionally left blank, and is only for the signatures of the Share Transfer Agreement.

Beijing 21Vianet Broad Band Data Center Co., Ltd.

Signature (Seal): /s/ authorized signatory of Beijing 21Vianet Broad Band Data Center Co., Ltd.

Date: September 21, 2010

Beijing Shidai Tonglian Technology Co., Ltd.

Signature (Seal): /s/ authorized signatory of Beijing 21Vianet Broad Band Data Center Co., Ltd.

Date: September 21, 2010

Ran Cheng

Signature: /s/ Ran Cheng

Date: September 21, 2010

Fahua Xue

Signature: /s/ Fahua Xue

Date: September 21, 2010

Chenghua Hong

Signature: /s/ Chenghua Hong

Date: September 21, 2010

Beijing Chengyishidai Network Technology Co., Ltd.

Signature (Seal): /s/ authorized signatory of Beijng Chengyishidai Network Technology Co., Ltd.

Date: September 21, 2010

Zhibo Xintong (Beijing) Network Technology Co., Ltd

Signature (Seal): /s/ authorized signatory of Zhibo Xintong (Beijing) Network Technology Co., Ltd

Date: September 21, 2010

Exhibit I Representations and Warranties of the Original Shareholders, Targeted Companies and Actual Controller

As of the date of representation and warranty, except as disclosed in Exhibit VI, all the following representations and warranties are true, complete, accurate and not misleading.

1. Ran Cheng, Fahua Xue and Chenghua Hong are Chinese natural persons who have full capacity for civil conduct and are capable of signing and performing all the obligations under this Agreement. The Target Companies and SDTL are Target Companies with good reputation, which are duly established and existing under the P.R.C. laws, and have the corporate power and capability to possess assets and continue existing business.

2. Authorization. The Original Shareholders and the Target Companies have the full and necessary authorization to execute this Agreement, to perform all the obligations under this Agreement and to complete all the transactions under this Agreement, including but not limited to the necessary approval and authorization from any third party. This Agreement shall be binding upon the Original Shareholders, the Target Companies and the Actual Controller.

3. Conflicts. The execution and performance of this Agreement do not violate or conflict with the articles of association of the Target Companies, the rules of other organizations or any article of the constitutional documents; nor do they violate any provisions of mandatory P.R.C. laws and regulations, or any applicable regulations, notice, opinion, orders or rulings. The execution and performance of this Agreement by the Original Shareholders, the Target Companies and the Actual Controller do not breach any agreement, contract, memo, letter of intent or any other documents of any type entered into with any third party.

4. The registered capital of the Target Companies has been fully paid up according to their articles of association, capital verification report and business ("**Establishment Documents**"), complies with the requirements of the P.R.C. laws and regulations, and no due payment remains outstanding. All the Establishment Documents have been approved in time and are valid and enforceable according to the P.R.C. laws and regulations. The business scope of the Target Companies in the Establishment Documents complies with the P.R.C. laws and regulations. The operating activities described in the Establishment Documents comply with the P.R.C. laws and regulations. All the licenses, permits, qualifications and approvals required for the operating activities according to the P.R.C. laws and regulations have been applied for and obtained in accordance with laws. In additional, all the licenses, permits, qualifications and approvals are currently effective. The Target Companies have passed the annual inspection of the relevant government authorities on the licenses, permits, qualifications and approvals.

5. Outside Investment. The primary business of the Target Companies is ISP and telecommunication service. Except for those disclosed in the disclosure list, the Target Companies have no other investment and commercial operating entities. The Target Companies have legally obtained and hold all the rights and interests from its above-mentioned investment and its subsidiaries.

6. Financial Report. All the following written documents submitted to 21Vianet by the Target Companies are truthful, complete and correct reflection of the operating status and the financial conditions of the Target Companies in relevant period or on relevant base day, with no significant omissions or misleading statements: (i) the financial reports of the Target Companies from January to August in 2010 issued according to the P.R.C. laws and the P.R.C. accounting principles as of August 31, 2010 (the "**Balance Sheet Date**"); (ii) the financial reports of the Target Companies in 2008 and 2009 issued according to the P.R.C. laws and the P.R.C. accounting principles. All the auditing accounts and management accounts (including but not limited to transfer accounts) of the Target Companies are formulated in compliance with the financial and accounting system of relevant P.R.C. laws and regulations and the particular status of the Target Companies, and truthfully and impartially reflect the financial and operational status of the Target Companies on relevant accounting date. The financial records and documents of the Target Companies are completely in compliance with the P.R.C. laws and regulations and P.R.C. accounting principles.

7. Non-Disclosed Debts. Except for the following debts, the Target Companies have no other debts that are not reflected in the balance sheet. (1) debts disclosed in the disclosure list; (2) debts caused by business interactions within the Target Companies' regular business scope after the Balance Sheet Date, which are not forbidden by this Agreement nor will adversely affect any shareholder or the Target Companies itself. The Target Companies have no binding security or guarantee to any person or grant any binding mortgage, pledge or encumbrance in its assets. The Target Companies have no loans payable.

8. Capital Structure. The shareholding structure of the Target Companies in the articles of association and their amendments filed with the administration for industry and commerce is exactly the same as that being submitted to 21Vianet by the Original Shareholders and the Actual Controller, and is accurate and complete reflection of the shareholding structure of the Target Companies before Closing. Except for the above-mentioned equities, the Target Companies have never promised or actually issued any of its interests, shares, bonds, options or any same or similar rights and interests to any person, in any way. All the shareholders of the Target Companies legally hold the shares in respective Target Companies and grant no mortgage, debts, security and encumbrance in any form or in any type in their equities. Those equities are not involved in any dispute and free from any recovery by any third party. Ran Cheng is the final controller of the Target Companies.

9. No changes. From the date of the balance sheet to the date of execution of this Agreement, all the Target Companies shall not conduct the following acts without the prior written approval of 21Vianet:

9.1 To make repayment in advance outside the ordinary course of business.

9.2 To provide guarantee to other people and impose mortgage, pledge and other security rights on its assets.

9.3 To waive any debts or waive any right of claim.

9.4 To amend any existing contract or agreement outside the ordinary course of business.

9.5 To provide bonus to any managers, directors, employees, sale representatives, agents or consultants or to increase their incomes in any other forms. To increase the remunerations of the top-five compensated persons, the CEO and the CFO by more than 10% within 12 months.

9.6 To bear any losses (whether covered by insurance or not) or to make any changes to its relationship with the clients and the employees, which may adversely affect the Target Companies.

9.7 Except for the adjustment to the Target Companies' accounts according to the P.R.C. laws and regulations and the US accounting principles, to modify the accounting methods, policies or principles and the financial accounting rules and regulations of the Target Companies.

9.8 To transfer or permit others to use the intellectual property right of the Target Companies.

9.9 Any significant changes to business practices, accounting methods, employment policies or rules and regulations.

9.10 Significant adverse changes to the business status of the Target Companies; to conduct business outside the ordinary course of business and assume responsibilities.

9.11 To make any decisions on shareholders' meeting or on board meeting that are different from the regular matters being discussed on the annual general meetings, not including resolutions made to perform this Agreement.

9.12 To announce, pay for, lead to or prepare to announce, pay for, lead to dividends, bonus or any other forms of dividends.

9.13 (i) Asset sale, mortgage, pledge, rent, transfer and other disposition outside the ordinary course of business or the amount of a single transaction or the annual transaction amount exceeds RMB 50,000, (ii) To dispose fixed assets exceeding RMB 50,000 or to agree to the disposition or acquisition of fixed assets exceeding RMB 50,000. To give up controlling of any assets of the Target Companies exceeding RMB 50,000. To enter into contract that may result in a fixed asset expense exceeding RMB 50,000 of the Target Companies. To result in any other responsibilities of the Target Companies; (iii) Any expenses or any purchase of any tangible or intangible assets exceeding RMB 50,000.

9.14 Any act or omission that may result in the above-mentioned conditions.

10. Tax. The Target Companies have completed all tax registration in compliance with the requirement of laws and regulations and have paid for all the taxes as required by laws, regulations and the US GAAP.

11. Asset. The Target Companies are in legal possession and usage of all the fixed assets and intangible assets for their current operation. The asset breakdown submitted to 21Vianet by the Target Companies is true and complete.

12. Real Estate. The Target Companies have no real estate or related rights and liabilities.

13. Premise Lease. The premise leased from the lessor by the Target Companies has the valid and effective real estate ownership certificate. The lease contract is legally signed and validly existing, without any breach of contract by either party.

14. Covenant. The Original Shareholders and the Target Companies have submitted to 21Vianet part of the currently effective copies of the written contracts that are in consistence with the originals. The written contract details separately submitted to 21Vianet by the Target Companies are true and complete. The Original Shareholders, the Target Companies and the Actual Controller undertake that all the currently effective contracts are legitimate, effective and enforceable, which are entered into in the ordinary course of business and will not jeopardize the interest of the Target Companies. All the currently effective contracts are properly performed, without any breach of contract by the Target Companies.

15. Intellectual Property Right. The Target Companies hold or are authorized to hold (including but not limited to patent, trademark, copyrights, know-how, domain names and trade secrets, etc.) all the intellectual property rights required for their current operation or required by the current written operation plan. The Target Companies have obtained all the necessary authorizations and permits to conduct business operating activities related to others' intellectual property rights. The Target Companies are not in violation of the intellectual property rights, trade secret, proprietary information or other similar rights of any third party. The Target Companies have no ongoing or contingent claim of compensation, disputes or judicial proceeding caused by the violation of any third party's intellectual property rights, trade secrets, proprietary information or other similar rights. All the trademarks, patents, software copyrights and domain names of the Target Companies have been officially registered according to laws.

16. Litigation and Other Legal Proceedings. There are no penalties, injunctions or instructions from the government department, or civil, criminal and administrative litigations, arbitrations or other proceedings and disputes against the Target Companies, which may bring significant negative influence to the Target Companies or adversely affect the formation, effect, and enforceability of this Agreement and the changes of shareholding under this Agreement, whether it is completed, ongoing or contingent.

17. Compliance with Laws and Regulations. The current business and the business to be carried out by the Target Companies comply with the currently effective laws, regulations, provisions and other administrative regulations promulgated by relevant national administrative departments (collectively referred to as "**Laws and Regulations**"), and permits, licenses and authorizations (collectively referred to as "**Permits**"); there is no violation of Laws and Regulations or Permits that may exert significant adverse effect on the business and assets of the Target Companies.

18. Employees.

    18.1 The Target Companies employ employees in accordance with relevant labor laws and regulations and signs the labor contracts with all its employees on time.

    18.2 Neither existing nor potential labor disputes exist between the Target Companies and their current and former employees.

    18.3 The Target Companies have no payment obligation for payable economic compensation related to the termination of labor contract or other similar compensations related to employment.

18.4 The pension, housing, medical care, unemployment, maternity, injury and all other social insurance or employee benefits required by relevant laws, regulations and agreements have been fully paid and/or withheld by the Target Companies according to relevant laws and regulations. No existing or potential disputes exist related to social insurance or employee benefits.

19. Insurance

Except for those being disclosed in the disclosure list, all the daily operating activities of the Target Companies are covered by insurances adopted by the Target Companies that relate to its property loss and possible property loss; the Target Companies conducts no activities that may result in an increase of the premium rate of the above-mentioned insurance, nor is there unsettled claims against the above-mentioned insurance.

20. Accounts and Documents of the Target Companies

20.1 The account books, share change records, financial statements and all the other documents recorded by the Target Companies have been kept according to commercial practices and controlled by the Target Companies. All the main businesses of the Target Companies have been correctly and normatively recorded.

20.2 All the documents of the Target Companies, including the record of the board meeting, record of shareholders meeting and shareholders list of the Target Companies, are properly kept and completely, correctly record all the matters that shall be recorded on the documents as of the Closing Date.

20.3 From the Balance Sheet Date (1) There are no incidents occurring that may cause the debts of the Target Companies to expire in advance; (2) No assets of the Target Companies have been disposed or come out of control of the latter; the Target Companies did not sign any agreement that may cause irregular financial expenses or obligations.

20.4 The Target Companies have submitted all the information that was required by any tax department; as of the date of signing the contract, there are no tax responsibilities or tax benefits disputes between the Target Companies and the tax authorities.

20.5 The Target Companies have kept all the financial documents for regular tax calculation and tax payments and sufficient documents for tax benefits approved by relevant governmental departments.

20.6 Except for the *Labor Law of the People's Republic of China* and the employee benefits, social and pension security required by its regulations, the Target Companies does not have any in-office, off-office, retirement or provided-for-the-aged benefits and securities.

21. Information Disclosure. All the documents, data and information provided to 21Vianet by the Original Shareholders, the Target Companies and the Actual Controller before and after the execution of this Agreement are truthful, correct without significant and essential omissions and are not misleading.

22. Business Plan and Financial Budget. The detailed business plan and financial budget of the Target Companies that have been provided to or will be provided to 21Vianet by the Original Shareholders and the Target Companies before the Closing Date for the 12 months after the Closing Date are formulated based on the supposition and estimate of the Original Shareholders and the Target Companies, which are believed to be reasonable and will not substantially mislead 21Vianet.

23. Before the signing of this Agreement, the Original Shareholders have legally finished the Share Transfer from all the other shareholders of the Target Company. The Target Companies shall not take any responsibilities, debts, costs, taxes or other burdens caused by the Share Transfer above-mentioned.

24. As of August 31, 2010, the total amount of the net cash (net cash=business receivable - business payable + business prepayment – business advances receipt + cash on account) on the accounts of the Target Companies shall be no less than RMB 20 million.

25. The Target Companies lawfully hold and actually operate the fixed assets listed in Exhibit XI of this Agreement.

Exhibit II Closing Conditions

(A) The obligation to pay for the second purchase of equities of 21Vianet in this Agreement depends on the fulfillment of the following conditions under this Article (or exempted by 21Vianet):

1. Fundamental Conditions for the First Closing

1.1 The shareholders meeting of the Target Companies have approved the execution, performance and completion of this Agreement.

1.2 The Actual Controllers have submitted the letters of undertakings that include the following contents to 21Vianet: (1) CYGF is a holding company that conducts no actual business; (2) CYGF does not have any business or assets that might be competitive to CYSD and/or ZBXT; (3) CYGF will not launch business competition with CYSD and/or ZBXT; (4) unless being approved by 21Vianet in advance, the companies being controlled by the Actual Controllers shall not hold any telecommunication licenses that might be competitive to 21Vianet's current business.

1.3 All the registered capital of the following Target Companies has been fully paid. SDTL holds 100% of the shares of CYSD and 100% of the shares of ZBXT. The latter holds all shares of BZRH, BKHT, YJH and XYHT (subject to the bearings of the business license actually issued).

Name of the Company	Registered Capital (RMB 10,000)
CYSD	100
ZBXT	100
BZRH	100
BKHT	100
YJH	100
XYHT	10

1.4 21Vianet has completed the due diligence on Target Companies' business, finance and legal conditions and is satisfied with the result.

1.5 21Vianet has received a financial due diligent report on the Target Companies and is satisfied with its content and with the accounting firm that provides the report.

1.6 21Vianet has received (1) Non-compete undertaking letters provided by Ran Cheng, Fahua Xue, Chenghua Hong and CYGF, of which the form and content are in accordance with Exhibit XII of this Agreement, and (2) non competition undertaking letters signed by the key personnel (including but not limited to the key personnel of CYGF that are going to participate in the Target Companies) of the Target Companies, of which the form and content are in accordance with Exhibit VIII of this Agreement.

1.7 The P.R.C. lawyers of the Target Companies or ZBXT provided 21Vianet with legal opinion on share transfer of this Agreement as is shown in Exhibit IV. 21Vianet is satisfied with the content of the legal opinion and the law firm that provided it.

1.8 Registration with administration of industry and commerce regarding share transfer has been completed.

1.9 The accounts of the Target Companies have been reorganized to comply with the standards for overseas listing.

1.10 On the Closing Date, items such as receivable, payable, advances from the customers and prepayment in the balance sheet of the Target Companies have been properly settled. 21Vianet is satisfied with the settlement.

1.11 The Target Companies shall report to 21Vianet the changes of cash flow and bank accounts all the time.

1.12 The annual budget of the Target Companies has been approved by 21Vianet.

1.13 The pay level of the directors, supervisors and the senior management of the Target Companies has been approved by 21Vianet in written form.

1.14 There are no laws, regulations, decisions, rulings, orders or injunctions from the court or relevant government authorities that constrain, forbid or cancel the share purchase. Neither are there unsettled or contingent litigations or arbitrations which have already caused or will cause negative influence on the Original Shareholders and the Target Companies.

1.15 From the date of signing this Agreement (including the date of signing this Agreement) to the Closing Date, the Original Shareholders, the Target Companies and the Actual Controllers have made statements and guarantees in Exhibit I of this Agreement which are absolutely true, complete and accurate, have fulfilled the commitment in Article V of this Agreement and have not conduced any activities in violation of Article V of this Agreement or the non-compete commitment.

1.16 From the date of signing this Agreement (including the date of signing this Agreement) to the Closing Date, there are no incidents, facts, conditions, changes or other circumstances that have caused or, according to reasonable foresight, may cause significant negative influence on the Target Companies. There is no change in the assets structure and condition that may cause significant negative influence on the Target Companies.

1.17 Before the Closing Date (including the Closing Date), the Original Shareholders, the Target Companies and the Actual Controllers have already fulfilled and complied with the conditions, obligations and undertakings required by this Agreement, which shall be finished before or on the Closing Date of Share Transfer.

1.18 21Vianet receives the disclosure list as of the first Closing Date and is satisfied with its content.

2. Conditions for the Second Closing

The obligation to pay for the third purchase of shares of 21Vianet in this Agreement depends on the fulfillment of the following conditions of this article:

2.1 Unless 21Vianet exercises its option according to Article 8 of this Agreement, the ownership structure of the Target Companies is as follows: 21Vianet holds 51% of the shares of CYSD and ZBXT; the Original Shareholders hold 49% of the shares of CYSD and ZBXT; ZBXT holds 100% of the shares of BZRH, BKHT, XYHT and YJH.

2.2 21Vianet receives the additional disclosure list as of the second Closing Date (if any) and is satisfied with its content. 21Vianet shall express dissatisfaction to the disclosed matters or content caused by the following reasons: (1) Disclosed matters caused by 21Vianet or the employees assigned by 21Vianet; (2) Matters that the Target Companies, the Original Shareholders and the Actual Controllers have already known; (3) Matters may not cause significant negative influence on the Target Companies.

2.3 21Vianet has received the audit report from its approved accounting firms and confirms that the net profit in 2011 of the Target Companies audited according to US GAAP is no less than RMB 50 Million.

2.4 The P.R.C. lawyers of the Target Companies or ZBXT has provided 21Vianet with additional legal opinions, of which the form and content is equal to Exhibit IV of this Agreement. 21Vianet is satisfied with the content of the additional legal opinions and the law firm that provided it; 21Vianet shall not be unsatisfied with the legal opinions caused for the following reasons: (1) Disclosed matters caused by 21Vianet or the employees assigned by 21Vianet; (2) Matters that the Target Companies, the Original Shareholders and the Actual Controllers have already known; (3) Matters may not cause significant negative influence upon the Target Companies.

2.5 There are no laws, regulations, decisions, rulings, orders or injunctions from the court or relevant competent government authorities that constrain, forbid or cancel the purchase of equities. Neither are there unsettled or contingent litigations or arbitrations which have already caused or will cause negative influence on the Original Shareholders and the Target Companies.

2.6 The Original Shareholders, the Target Companies and the Actual Controller have made statements and guarantees in Exhibit I of this Agreement which are absolutely true, complete and accurate, have fulfilled the undertakings in Article V of this Agreement and have not conducted any activities in violation of Article V of this Agreement or the undertakings of non-compete.

2.7 There are no incidents, facts, conditions, changes or other circumstances that have caused or, according to reasonable foresight, may cause significant negative influence on the Target Companies. There is no change in the assets structure and condition that may cause significant negative influence on the Target Companies.

2.8 The Original Shareholders, the Target Companies and the Actual Controller have already fulfilled and complied with the conditions, obligations and undertakings required by this Agreement.

(B) To fulfill the obligation of share transfer of this Agreement by the Original Shareholders and the Actual Controllers depends on the fulfillment of the following conditions in this Article (or else shall be exempted by the Original Shareholders or the Actual Controllers):

1. The director’s meeting of 21Vianet has approved the execution, performance and completion of this Agreement.

2. There are no laws, regulations, decisions, rulings, orders or injunctions from the court or relevant governmental authorities that constrain, forbid or cancel the share purchase. Neither are there ongoing or contingent litigations or arbitrations, which have already caused or be about to exert adverse effect on 21Vianet.

Exhibit III Key Personnel List

Name	Position
Ran Cheng	Actual Controller, shareholder of the Target Companies
Yang Shu	Financial manager
Fahua Xue	Shareholder of the Target Companies
Zheng Chang	IT
Chenghua Hong	Shareholder of the Target Companies
Lina Zhang	Marketing
Wenxin Ying	Network building
Jie Cui	IT
Yonghua Yang	Source purchasing

Exhibit 10.2

ATTORNEY WORK PRODUCT
PRIVILEGED AND CONFIDENTIAL
SKADDEN DRAFT 9/13/2010

PERFORMANCE INCENTIVE AGREEMENT

by and among

Beijing Shi Dai Tong Lian Technology Company Limited,

Beijing Cheng Yi Shi Dai Network Technology Company Limited,

Zhi Bo Xin Tong (Beijing) Network Technology Company Limited,

Ran Cheng,

AsiaCloud Inc.,

and

21ViaNet Broadband Limited

dated as of September 21, 2010

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PERFORMANCE INCENTIVE AGREEMENT

This Performance Incentive Agreement (the "**Agreement**") is entered into on September **[—]**, 2010 by and among the following parties (each a "**Party**"; together, the "**Parties**"):

Beijing Shi Dai Tong Lian Technology Company Limited, a limited liability company organized under the laws of the PRC (the "**Seller**");

Beijing Cheng Yi Shi Dai Network Technology Company Limited, a limited liability company organized under the laws of the PRC with registered office located at Suite 423-A, Building #48, No. 110 Zaojia Street, Fengtai District, Beijing with the business license number 110106006279869; and Zhi Bo Xin Tong (Beijing) Network Technology Company Limited, a limited liability company organized under the laws of the PRC with registered office located at Suite 5307, Ideal Building, No. 111 Zhichun Road, Haidian District, Beijing with the business license number 110108010358010 (each a "**Target Company**", and together the "**Target Companies**");

Ran Cheng, a PRC citizen with identification number 131002197604234436 (Ran Cheng or his designated offshore entity, the "**Recipient**");

AsiaCloud Inc., a limited liability company incorporated under the laws of the Cayman Islands with its registered office located at Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands ("**AsiaCloud**"); and

21ViaNet Broadband Limited, a limited liability company organized under the laws of the PRC with registered office located at 3/F Building 5, No. 1 East Jiuxianqiao Road, Chaoyang District, Beijing with the business license number 110105009411300 (the "**Purchaser**").

RECITALS

WHEREAS, the Seller wholly owns the outstanding shares of the Target Companies;

WHEREAS, Ran Cheng owns 70% of the Seller's shares and therefore has actual control over the Seller and the Target Companies;

WHEREAS, the Purchaser is a wholly-owned subsidiary of aBitCool Beijing Limited ("**VNS**"), a variable interest entity ultimately controlled by the AsiaCloud through contractual arrangements among VNS, the shareholders of VNS and 21ViaNet China Inc., the AsiaCloud's wholly-owned subsidiary in China;

WHEREAS, the Purchaser intends to purchase, and the Seller intends to sell, 51% outstanding shares in the Target Companies by entering into a share purchase agreement (the "**SPA**") on the same date of this Agreement. Under the SPA, the Purchaser has an option to purchase the remaining 49% of the outstanding shares in the Target Companies before December 31, 2011;

WHEREAS, Ran Cheng has de facto control over the Target Companies and agrees to cause the Target Companies to meet certain financial targets in each of 2011, 2012 and 2013. To incentivize Ran Cheng and align his interests with those of the AsiaCloud, the AsiaCloud intends to provide the Recipient performance incentives in the form of shares in the AsiaCloud based on the Target Companies' financial performance in 2011, 2012 and 2013;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the promises, the mutual covenants and agreements contained herein, the Parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I

DEFINED TERMS

Section 1.01 Definitions. The following capitalized terms used in this Agreement have the following meanings:

"**2010 Net Income**" means the Audited Net Income for the year ended December 31, 2010.

"**2011 Net Income**" means the Audited Net Income for the year ending December 31, 2011.

"**2012 Net Income**" means the Audited Net Income for the year ending December 31, 2012.

"**2013 Net Income**" means the Audited Net Income for the year ending December 31, 2013.

"**Agreement**" means this Performance Incentive Agreement.

"**AsiaCloud**" has the meaning set forth in the preamble.

"**Audited Net Income**" means the aggregate net income of the Target Companies for a certain period, which is audited by any of the Big Four Accounting Firms in accordance with the accounting principles generally accepted in the United States.

"**Audited Financial Report**" means the financial report of the Target Companies for a certain period, which is audited by any of the Big Four Accounting Firms in accordance with the accounting principles generally accepted in the United States.

"**Big Four Accounting Firms**" mean PricewaterhouseCoopers, Deloitte Touche Tohmatsu, KPMG and Ernst & Young.

"**Business Day**" means any day other than a Saturday, Sunday or a legal holiday in the PRC.

"**CIETAC**" has the meaning set forth in Section 6.07(a) of this Agreement.

"**Estimated Value**" has the meaning set forth in Section 2.02 of this Agreement.

"**First SPA Closing Date**" means the SPA Closing Date after the First SPA Closing Conditions are satisfied.

"**First SPA Closing Conditions**" has the meaning set forth in Section 2.3.2 of the SPA.

"**Gross Revenues**" means the gross revenues of the Target Companies for a certain period which are audited by any of the Big Four Accounting Firms in accordance with the accounting principles generally accepted in the United States.

"**Loan**" has the meaning set forth in Section 9.1.6 of the SPA.

"**Minimum Net Income**" means (i) RMB30 million for the year ending December 31, 2011, (ii) RMB34.5 million for the year ending December 31, 2012, and (iii) RMB39.67 million for the year ending December 31, 2013.

"**SPA Closing Date**" has the meaning set forth in Section 2.3.5 of the SPA.

"**Par Value**" has the meaning set forth in the then effective Memorandum of Association of AsiaCloud.

"**Parties**" or "**Party**" has the meaning given to such term in the preamble.

"**PRC**" means the People's Republic of China.

"**Purchaser**" has the meaning set forth in the preamble.

"**Recipient**" has the meaning set forth in the preamble.

"**Seller**" has the meaning set forth in the preamble.

"**Second SPA Closing Date**" means the SPA Closing Date after the Second SPA Conditions are satisfied.

"**Second SPA Closing Conditions**" have the meaning set forth in Section 2.3.3 of the SPA.

"**SPA**" has the meaning set forth in the preamble.

Section 1.02 Interpretation. Whenever used in this Agreement, (i) words importing the singular number only shall include the plural and vice versa, (ii) words importing the masculine gender shall include the feminine gender, (iii) the terms "including" and "include" shall mean "including, without limitation" and "include, without limitation", respectively, (iv) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof, (v) "hereunder," "hereof," "hereto," and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article, Section or other provision hereof, and (vi) references to documents, instruments or agreements shall be deemed to refer as well to all addenda, exhibits, schedules or amendments thereto.

ARTICLE II

PERFORMANCE INCENTIVES

Section 2.01 Base Performance Incentives. Subject to section 2.03, if the 2011 Net Income is no less than the Minimum Net Income for the year ending December 31, 2011, the Recipient is entitled to receive performance incentives for each of three years ending December 31, 2011, 2012 and 2013 in the form of X number of shares in the AsiaCloud at Par Value.

(a) X shall be calculated as follows:

$$X = 1/3 \times \frac{\text{Estimated Value (in U.S. dollars)} \times 51\% \times 50\%}{8.61}$$

[1]

(b) The U.S. dollar to Renminbi exchange rate shall be the average noon buying rate set forth in H.10 statistical release of the Federal Reserve Board on the [last Business Day in the relevant year.

Section 2.02 Estimated Value of the Target Companies. The estimated value of the Target Companies (the "**Estimated Value**") shall be determined as follows:

(a) If the Audited Net Income for each of the first quarter and the second quarter of 2011 is no less than RMB10 million, the Estimated Value shall be the lower of (i) 6 times the 2011 Net Income and (ii) RMB300 million.

(b) If the Audited Net Income for either, but not both, of the first quarter and the second quarter of 2011, is no less than RMB10 million, the Estimated Value shall be the 80% of the lower of (i) 6 times the 2011 Net Income and (ii) RMB300 million.

(c) If the Audited Net Income for each of the first quarter and the second quarter of 2011 is less than RMB10 million, the Estimated Value shall be the 70% of the lower of (i) 6 times the 2011 Net Income and (ii) RMB300 million.

Section 2.03 2012 and 2013 Base Performance Incentives. The Recipient shall not receive any performance incentives for the year ending December 31, 2012 or December 31, 2013, as the case may be, if the Audit Net Income for such year is less than the Minimum Net Income.

[1] Company to advise whether to define the share price of AsiaCloud as (i) the trading price if AsiaCloud is listed or (ii) US$8.61 per share if not listed.

Section 2.04 Delivery of the Performance Incentives. If the Recipient is entitled to receive performance incentives for any of the years ended December 31, 2011, 2012 and 2013, within 15 calendar days after the Audited Financial Report for the relevant year is received by the Ran Cheng and AsiaCloud, Ran Cheng shall provide the AsiaCloud a written notice, which shall set forth the number of shares in AsiaCloud that the Recipient is entitled to receive, the relevant calculations and the name and other necessary information of the person or entity to receive the incentive shares. AsiaCloud shall approve or disapprove such written notice within 10 calendar days following the receipt of the written notice from Ran Cheng. The incentive shares in AsiaCloud shall be issued at Par Value and delivered to the Recipient within 30 calendar days, or another period mutually agreed upon by Ran Cheng and AsiaCloud in writing, after the Audited Financial Report for the relevant year is received by Ran Cheng and AsiaCloud, provided that the First SPA Closing Conditions and the Second SPA closing Conditions have been met, and all necessary registration, filings, approvals and actions required by applicable PRC authorities ("Approvals") prior to each issuance shall be completed. For avoidance of any doubt, if the Approvals have not been obtained and completed before such issuance of incentive shares for any year due to whatever reason, AsiaCloud is obligated to, within 20 calendar days after the Audited Financial Report for the relevant year is received by Ran Cheng and AsiaCloud, provide an alternative plan which is in compliance with applicable laws and is acceptable to the Recipient in the Recipient's sole and absolute discretion, failing which, Asia Cloud shall immediately issue and deliver incentive shares at Par Value to the Recipient in accordance with this Agreement as if such Approvals had already been duly obtained and completed by the Recipient, and such incentive shares in AsiaCloud shall be issued at Par Value and delivered to the Recipient within 30 calendar days after the Audited Financial Report for the relevant year is received by Ran Cheng and AsiaCloud.

Section 2.05 Performance Incentive Adjustment. The performance incentives that the Recipient is entitled to receive at Par Value for any of the years ending December 31, 2011, 2012 and 2013 shall be adjusted pursuant to the mechanism set forth in Section 3.02 if the following conditions are met for such year:

(a) As to the performance incentives that the Recipient is entitled to receive for the year ending December 31, 2012, the 2011 Net Income is no less than RMB50 million and the Gross Revenues of the Target Companies for such year is no less than RMB260 million.

(b) As to the performance incentives that the Recipient is entitled to receive for the year ending December 31, 2012, the 2012 Net Income is no less than RMB57.5 million and the Gross Revenues of the Target Companies for such year is no less than RMB340 million.

(c) As to the performance incentives that the Recipient is entitled to receive for the year ending December 31, 2013, the 2013 Net Income is no less than RMB66.12 million and the Gross Revenues of the Target Companies for such year is no less than RMB400 million.

Section 2.06 Adjustment Mechanism.

(a) If the conditions set forth in Section 3.01 are met for a particular year, the number of incentive shares in the AsiaCloud that the Recipient is entitled to receive at Par Value for such year shall be the Adjusted Performance Incentive divided by 8.61. As used herein,

if the Purchaser acquired 51% of total equity interest of the Target Companies, the Adjusted Performance Incentive = the lower of (i) the U.S. dollar equivalent of RMB32.50 million and (ii) Estimated Value (in U.S. dollars) x 50% x 51% x 1/3 x Adjustment Factor for such year

if the Purchaser acquired 100% of total equity interest of the Target Companies, the Adjusted Performance Incentive = the lower of (i) the U.S. dollar equivalent of RMB65.00 million and (ii) Estimated Value (in U.S. dollars) x 50% x 100% x 1/3 x Adjustment Factor for such year ÷ 51%

$$\text{the Adjustment Factor for 2011} = \frac{\text{2011 Net Income} - \text{2010 Net Income}}{\text{RMB6.52 million}} \times 100\%$$

$$\text{the Adjustment Factor for 2012} = \frac{\text{2012 Net Income} - \text{2011 Net Income}}{\text{RMB7.5 million}} \times 100\%$$

$$\text{the Adjustment Factor for 2013} = \frac{\text{2013 Net Income} - \text{2012 Net Income}}{\text{RMB8.62 million}} \times 100\%$$

(b) The U.S. dollar to Renminbi exchange rate shall be the average noon buying rate set forth in H.10 statistical release of the Federal Reserve Board on the last Business Day in the relevant year.

(c) For the avoidance of doubt, if the number of incentive shares in the AsiaCloud that the Recipient is entitled to receive at Par Value for a particular year is adjusted pursuant to this Article, the Recipient shall receive only such adjusted number of incentive shares in the AsiaCloud (not in addition to the incentive shares for such year as determined pursuant to Article II hereof). Furthermore, if the 2011 Net Income is less than the Minimum Net Income for 2011, the Recipient shall not receive any incentive shares in AsiaCloud for any of the years ending December 31, 2011, 2012 and 2013 pursuant to this Article.

ARTICLE III

LOAN

Section 3.01 Loan. Pursuant to the SPA, a company designated by the AsiaCloud shall provide a loan in the amount of RMB25 million (the "**Loan**") to Ran Cheng or any entity designated by him within 10 Business Days after the satisfaction of the First SPA Closing Conditions. Such Loan shall be repaid prior to the Second SPA Closing Date.

Section 3.02 Share Grant Based on the Loan. Notwithstanding Articles II and III hereof,

(a) if, as of the Second Closing Date, (i) the principle of the Loan has not been repaid in full and (ii) the 2011 Net Income is less than RMB30 million, the AsiaCloud shall grant to the Recipient shares in the AsiaCloud to the Recipient, the number of which shall be no less than the U.S. dollar equivalent of RMB25 million divided by 8.61. The U.S. dollar to Renminbi exchange rate shall be the average noon buying rate set forth in H.10 statistical release of the Federal Reserve Board on the last Business Day in 2011, and

(b) if, as of the Second SPA Closing Date, (i) the principle of the Loan has not been repaid in full or (ii) the 2011 Net Income is no less than RMB30 million, the AsiaCloud shall waive its rights to claim the repayment of any outstanding amount of the Loan and shall not grant any incentive shares in the AsiaCloud to the Recipient.

ARTICLE IV

MISCELLANEOUS

Section 4.01 Incorporation by Reference. To the extent applicable to this Agreement, provisions on representations and warranties, covenants, contract breach and termination set forth in the SPA shall be incorporated by reference in this Agreement.

Section 4.02 Effectiveness. This Agreement shall be executed simultaneously with the SPA. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto and the execution and delivery of the SPA by the parties thereto.

Section 4.03 Expenses. Other than as required by applicable Law, all costs and expenses incurred in connection with the Agreement shall be paid by the party incurring such costs or expenses.

Section 4.04 Taxes. The Recipient shall be liable for any income, business or other taxes under the PRC laws and the laws of other applicable jurisdiction that might be incurred in connection with its receipt of any incentive shares.

Section 4.05 Compliance with PRC Laws. The Recipient, with the assistance from the Purchaser and Asia Cloud, shall try its best efforts to obtain Approvals.

Section 4.06 Headings. The division of this Agreement into articles and sections is for convenience and reference only and shall not in any way affect the meaning or interpretation hereof.

Section 4.07 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of Cayman Islands without reference to the choice of law principles thereof.

Section 4.08 Confidentiality. All the provisions under this Agreement and this Agreement itself shall be kept confidential. Neither Party shall make disclosure to any third party, excluding the senior officers, directors, employees, agents and consultants who are related to the this Agreement, provided that it is necessary for such persons to know about this Agreement and related information. This confidentiality clause does not apply to information required to be disclosed to the government, the public or shareholders by relevant laws, nor does it apply to documents required to be filed with the authorities.

Section 4.09 Dispute Resolution.

(a) All disputes, controversies, and claims directly or indirectly arising out of or in relation to this Agreement or the validity, interpretation, construction, performance, breach, termination, or enforceability of this Agreement shall be arbitrated by China International Economic and Trade Arbitration Commission ("**CIETAC**") by following the CIETAC arbitration rules. Any arbitration or related hearings shall be held in Beijing and in Chinese. Any decision made by CIETAC shall be final and binding.

(b) The arbitral tribunal shall be comprised of three (3) arbitrators. Parties hereby agree that from any pool of arbitrators, the Purchaser may select one arbitrator and Ran Chen may select one arbitrator. The third one shall be jointly selected by all parties. If the Parties cannot reach a consensus with respect to the third arbitrator within five Business Days, CIETAC shall appoint the third arbitrator.

(c) During any arbitration, the Agreement shall remain effective and the Parties shall perform their respective obligations, other than those set forth in the sections or articles in dispute.

Section 4.10 Entire Agreement. This Agreement constitute the entire agreement among the Parties hereto pertaining to the specific subject matter hereof and supersedes all prior agreements, correspondence, undertakings, understandings, negotiations and discussions, whether oral or written of the Parties hereto. No supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the Party to be bound thereby.

Section 4.11 Invalid Provisions. Should any part of this Agreement for any reason be declared invalid, such decision shall not affect the validity of any other term, provision, covenant and restriction of this Agreement, which remaining portions shall remain in full force and effect as if this Agreement had been executed with the invalid provisions thereof eliminated, and it is the declared intention of the parties hereto that they would have executed the remaining portion of the Agreement without including therein any such part or portion which may be declared invalid.

Section 4.12 Amendment. This Agreement shall not be amended by any Party unless all parties executed the amended Agreement in writing.

Section 4.13 Assignment. This rights and obligations set forth in this Agreement shall not be assigned to any third party without the unanimous consent of all other Parties.

Section 4.14 Inurement. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, executors, administrators and successors.

Section 4.15 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

Section 4.16 Delivery by Facsimile. Any delivery of an executed copy of this Agreement by way of facsimile or portable document format (pdf) shall constitute delivery hereof, provided that any party delivering by way of facsimile or pdf shall, as soon as reasonably practicable, deliver the original executed copy to the other Parties.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Performance Incentive Agreement to be duly executed by their respective authorized officers as of the date first above written.

Beijing Shi Dai Tong Lian Technology Company Limited

By: /s/ Ran Cheng
Name: Ran Cheng
Title:

Beijing Cheng Yi Shi Dai Network Technology Company Limited

By: /s/ Ran Cheng
Name: Ran Cheng
Title:

Zhi Bo Xin Tong (Beijing) Network Technology Company Limited

By: /s/ Ran Cheng
Name: Ran Cheng
Title:

Ran Cheng

By: /s/ Ran Cheng
Name: Ran Cheng
Title:

AsiaCloud Inc.

By: /s/ Sheng Chen
Name: Sheng Chen
Title:

21ViaNet Broadband Limited

By: /s/ Authorized signatory
Name:
Title:

Exhibit 10.3

FORM OF DIRECTOR INDEMNIFICATION AGREEMENT

DIRECTOR INDEMNIFICATION AGREEMENT (this "**Agreement**") dated as of _____, 20__, by and between 21Vianet Group, Inc., a Cayman Islands company (the "**Company**") and _____ (the "**Director**") The Director shall be referred to herein as the "**Indemnitee**."

WHEREAS, it is essential to the Company that it be able to retain and attract as directors the most capable persons available;

WHEREAS, increased corporate litigation has subjected directors to litigation risks and expenses, and the limitations on the availability of director liability insurance have made it increasingly difficult for the Company to attract and retain such persons;

WHEREAS, the Company's governing documents require it to indemnify its directors to the fullest extent permitted by law and permit it to make other indemnification arrangements and agreements; and

WHEREAS, the Company desires to provide the Indemnitee with specific contractual assurance of the Indemnitee's rights to full indemnification against litigation risks and expenses (regardless of any amendment to or revocation of the Company's governing documents or any change in the ownership of the Company or the composition of its Board of Directors).

NOW, THEREFORE, in consideration of the promises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

1. Indemnification.

(a) Indemnification of Expenses.

(i) Third-Party Claims. Subject to Section 8 below, the Company shall indemnify and hold harmless the Director to the fullest extent permitted by law if the Director was or is or becomes a party to or witness in, or is threatened to be made a party to or witness in, any threatened, pending or completed action, suit, proceeding or alternative dispute resolution mechanism, or any hearing, inquiry or investigation that such Director reasonably believes might lead to the institution of any such action, suit, proceeding or alternative dispute resolution mechanism, whether civil, criminal, administrative, investigative or other (hereinafter a "**Claim**") (other than an action by right of the Company) by reason of the fact that the Director is or was a director or officer of the Company, or any subsidiary or affiliated entity of the Company, or is or was serving at the request of the Company as a director or officer of another corporation, partnership, limited liability company, joint venture, trust or other enterprise, or by reason of any action or inaction on the part of the Director while serving in such capacity (hereinafter, an "**Agent**") or as a direct or indirect result of any Claim made by any stockholder of the Company against the Director and arising out of or related to any round of financing of the Company (including but not limited to Claims regarding non-participation, or non-pro rata participation, in such round by such stockholder), or made by a third party against the Director based on any misstatement or omission of a material fact by the Company in violation of any duty of disclosure imposed on the Company by securities or common laws (hereinafter an "**Indemnification Event**") against any and all expenses (including attorneys' fees and all other costs, expenses and obligations), judgments, fines, penalties and amounts paid in settlement (if, and only if, such settlement is approved in advance by the Company, which approval shall not be unreasonably withheld) (the "**Expenses**") actually and reasonably incurred by the Director in connection with investigating, defending or participating in (including on appeal) such Claim if the Director acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Company and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

(ii) Derivative Actions. If the Director is a person who was or is a party or is threatened to be made a party to any Claim by or in the right of the Company to procure a judgment in its favor by reason of the fact that he or she is or was an Agent of the Company, or by reason of anything done or not done by him or her in any such capacity, the Company shall indemnify the Director against any amounts paid in settlement of any such Claim and all Expenses actually and reasonably incurred by him or her in connection with the investigation, defense, settlement or appeal of such Claim if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Company; except that no indemnification under this subsection shall be made in respect of any claim, issue or matter as to which such person shall have been finally adjudged to be liable to the Company by a court of competent jurisdiction due to willful misconduct of a culpable nature in the performance of his or her duty to the Company, unless and only to the extent that the court in which such proceeding was brought shall determine upon application that, despite the adjudication of liability and in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such amounts the court may deem proper.

(b) Reviewing Party. Notwithstanding the foregoing, (i) the obligations of the Company under Section 1(a) shall be subject to the condition that the Reviewing Party (as defined in Section 10(e) hereof) shall not have determined that the Indemnitee would not be permitted to be indemnified under applicable law or pursuant to Section 8 hereof, and (ii) the Indemnitee acknowledges and agrees that the obligation of the Company to make an advance payment of Expenses to the Indemnitee pursuant to Section 2(a) (an "**Expense Advance**") shall be subject to the condition that, if, when and to the extent that the Reviewing Party determines that the Indemnitee would not be permitted to be so indemnified under applicable law or Section 8 hereof, the Company shall be entitled to be reimbursed by the Indemnitee (who hereby agrees to promptly reimburse the Company) for all such amounts theretofore paid; provided, however, that if the Indemnitee has commenced or thereafter commences legal proceedings in a court of competent jurisdiction to secure a determination that the Indemnitee should be indemnified under applicable law or Section 8 hereof, any determination made by the Reviewing Party that the Indemnitee would not be permitted to be indemnified under applicable law shall not be binding and the Indemnitee shall not be required to reimburse the Company for any Expense Advance until a final judicial determination is made with respect thereto (as to which all rights of appeal therefrom have been exhausted or lapsed). The Indemnitee's obligation to reimburse the Company for any Expense Advance shall be unsecured and no interest shall be charged thereon. If there has not been a Change in Control (as defined in Section 10(c) hereof), the Reviewing Party shall be selected by a majority of the Board of Directors (excluding the Director), and if there has been such a Change in Control (other than a Change in Control which has been approved by a majority of the Company's Board of Directors (other than the Director) who were directors immediately prior to such Change in Control), the Reviewing Party shall be the Independent Legal Counsel referred to in Section 1(e) hereof. If there has been no determination by the Reviewing Party or if the Reviewing Party determines that the Indemnitee substantively would not be permitted to be indemnified in whole or in part under applicable law or Section 8 hereof, the Indemnitee shall have the right to commence litigation seeking an initial determination by the court or challenging any such determination by the Reviewing Party or any aspect thereof, including the legal or factual bases therefor, and the Company hereby consents to service of process and to appear in any such proceeding. Any determination by the Reviewing Party otherwise shall be conclusive and binding on the Company and the Indemnitee.

(c) Contribution. If the indemnification provided for in Section 1(a) above is, for any reason other than the statutory limitations of applicable law or as provided in Section 8, held by a court of competent jurisdiction to be unavailable to the Indemnitee in respect of any losses, claims, damages, expenses or liabilities in which the Company is jointly liable with the Indemnitee, as the case may be (or would be jointly liable if joined), then the Company, in lieu of indemnifying the Indemnitee thereunder, shall contribute to the amount actually and reasonably incurred and paid or payable by the Indemnitee as a result of such losses, claims, damages, expenses or liabilities in such proportion as is appropriate to reflect (i) the relative benefits received by the Company and the Indemnitee, and (ii) the relative fault of the Company and the Indemnitee in connection with the action or inaction that resulted in such losses, claims, damages, expenses or liabilities, as well as any other relevant equitable considerations. The relative fault of the Company and the Indemnitee shall be determined by reference to, among other things, whether the untrue or allegedly untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Indemnitee and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such losses, claims, damages, expenses or liabilities.

The Company and the Indemnitee agree that it would not be just and equitable if contribution pursuant to this Section 1(c) were determined by pro rata or per capita allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the immediately preceding paragraph. No person found guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the U.S. Securities Act of 1933, as amended (the "**Securities Act**")) shall be entitled to contribution from any person who was not found guilty of such fraudulent misrepresentation.

(d) Survival Regardless of Investigation. The indemnification and contribution provided for in this Section 1 will remain in full force and effect regardless of any investigation made by or on behalf of the Indemnitee.

(e) Change in Control. The Company agrees that if there is a Change in Control of the Company (other than a Change in Control which has been approved by a majority of the Company's Board of Directors who were directors immediately prior to such Change in Control) then, with respect to all matters thereafter arising concerning the rights of Indemnitee to payments of Expenses under this Agreement, any other agreement or under the Company's Memorandum and Articles of Association, as amended (the "**M&A**"), Independent Legal Counsel (as defined in Section 10(d) hereof) shall be selected by the Indemnitee and approved by the Company (which approval shall not be unreasonably withheld). The Company agrees to abide by the determination of the Independent Legal Counsel and to pay the reasonable fees of the Independent Legal Counsel referred to above and to fully indemnify such counsel against any and all expenses (including attorneys' fees), claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(f) Mandatory Payment of Expenses. Notwithstanding any other provision of this Agreement, to the extent the Indemnitee has been successful on the merits or otherwise, in the defense of any Claim referred to in Section 1(a) hereof or in the defense of any claim, issue or matter therein, the Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by the Indemnitee in connection herewith.

2. Expenses; Indemnification Procedure.

(a) Advancement of Expenses. Subject to Section 8 and except as prohibited by applicable law, the Company shall advance all Expenses incurred by the Indemnitee in connection with the investigation, defense, settlement or appeal of any Claim to which the Indemnitee is a party or is threatened to be made a party by reason of the fact that the Director is or was an Agent of the Company or by reason of anything done or not done by him or her in any such capacity. The Indemnitee hereby undertakes to promptly repay such amounts advanced only if, and to the extent that, it shall ultimately be determined that the Indemnitee is not entitled to be indemnified by the Company under the provisions of this Agreement, the M&A, applicable law or otherwise. The advances to be made hereunder shall be paid by the Company to the Indemnitee as soon as practicable but in any event no later than thirty (30) days after written demand by the Indemnitee therefor to the Company.

(b) Notice/Cooperation by Indemnitee. The Indemnitee shall give the Company notice in writing promptly after receipt of notice of commencement of any Claim, or the threat of the commencement of any Claim, made against the Indemnitee for which indemnification will or could be sought under this Agreement. Notice to the Company shall be directed to the Chief Executive Officer of the Company at the address shown on the signature page of this Agreement (or such other person and/or address as the Company shall designate in writing to the Indemnitee).

(c) No Presumptions; Burden of Proof. For purposes of this Agreement, the termination of any Claim by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere, or its equivalent, shall not create a presumption that the Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law. In addition, neither the failure of the Reviewing Party to have made a determination as to whether the Indemnitee has met any particular standard of conduct or had any particular belief, nor an actual determination by the Reviewing Party that Indemnitee had not met such standard of conduct or did not have such belief, prior to the commencement of legal proceedings by the Indemnitee to secure a judicial determination that the Indemnitee should be indemnified under applicable law, shall be a defense to the Indemnitee's claim or create a presumption that the Indemnitee had not met any particular standard of conduct or did not have any particular belief. In connection with any determination by the Reviewing Party or otherwise as to whether the Indemnitee is entitled to be indemnified hereunder, the burden of proof shall be on the Company to establish that the Indemnitee is not so entitled.

(d) Notice to Insurers. If, at the time of the receipt by the Company of a notice of a Claim pursuant to Section 2(b) hereof, the Company has liability insurance in effect which may cover such Claim, the Company shall give prompt written notice of the commencement of such Claim to the insurers in accordance with the procedures set forth in each of the policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such action, suit, proceeding, inquiry or investigation in accordance with the terms of such policies.

(e) Selection of Counsel. In the event the Company shall be obligated hereunder to pay the Expenses of any Claim, the Company shall be entitled to assume the defense of such Claim, with legal counsel reasonably approved by the Indemnitee, upon the delivery to the Indemnitee of written notice of its election to do so. After delivery of such notice, approval of such legal counsel by the Indemnitee and the retention of such legal counsel by the Company, the Company will not be liable to the Indemnitee under this Agreement for any fees of counsel subsequently incurred by the Indemnitee with respect to the same Claim; provided that, (i) the Indemnitee shall have the right to employ the Indemnitee's legal counsel in any such Claim at the Indemnitee's expense; (ii) the Indemnitee shall have the right to employ its own legal counsel in connection with any such proceeding, at the expense of the Company, if such legal counsel serves in a review, observer, advice and counseling capacity and does not otherwise materially control or participate in the defense of such proceeding; and (iii) if (A) the employment of legal counsel by the Indemnitee has been previously authorized by the Company, (B) the Indemnitee shall have reasonably concluded that there is a conflict of interest between the Company and the Indemnitee in the conduct of any such defense, or (C) the Company shall not in fact continue to retain such legal counsel to defend such Claim, then the fees and expenses of the Indemnitee's legal counsel shall be at the expense of the Company.

3. Additional Indemnification Rights; Nonexclusivity.

(a) Scope. The Company hereby agrees to indemnify the Director to the fullest extent permitted by law (except as provided in Section 8) with respect to Claims for Indemnification Events, even if such indemnification is not specifically authorized by the other provisions of this Agreement or any other agreement, the M&A, or by statute. In the event of any change after the date of this Agreement in any applicable law, statute or rule which expands the right of a Cayman Islands company to indemnify a member of its Board of Directors or an officer, it is the intent of the parties hereto that the Indemnitee shall enjoy by this Agreement the greater benefits afforded by such change. In the event of any change in any applicable law, statute or rule which narrows the right of a Cayman Islands company to indemnify a member of its Board of Directors or an officer, such change, to the extent not otherwise required by such law, statute or rule to be applied to this Agreement, shall have no effect on this Agreement or the parties' rights and obligations hereunder except as set forth in Section 8 hereof.

(b) Nonexclusivity. Notwithstanding anything in this Agreement, the indemnification provided by this Agreement shall be in addition to any rights to which the Indemnitee may be entitled under the M&A, any agreement, any vote of stockholders or disinterested directors, the laws of the Cayman Islands, or otherwise. Notwithstanding anything in this Agreement, the indemnification provided under this Agreement shall continue as to the Indemnitee for any action the Director took or did not take while serving in an indemnified capacity even though such Director may have ceased to serve in such capacity and such indemnification shall inure to the benefit of the Indemnitee from and after the Director's first day of service as a director with the Company.

4. No Duplication of Payments. The Company shall not be liable under this Agreement to make any payment in connection with any Claim made against the Indemnitee to the extent the Indemnitee has otherwise actually received payment (under any insurance policy, M&A or otherwise) of the amounts otherwise indemnifiable hereunder.

5. Partial Indemnification. If the Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for any portion of Expenses incurred in connection with any Claim, but not, however, for all of the total amount thereof, the Company shall nevertheless indemnify the Indemnitee for the portion of such Expenses to which the Indemnitee is entitled.

6. Mutual Acknowledgement. The Company and the Indemnitee acknowledge that in certain instances, applicable law or public policy may prohibit the Company from indemnifying its directors, officers, employees, controlling persons, agents or fiduciaries under this Agreement or otherwise.

7. Liability Insurance. To the extent the Company maintains liability insurance applicable to directors, the Company shall use commercially reasonable efforts to provide that the Director shall be covered by such policies in such a manner as to provide the Indemnitee the same rights and benefits as are accorded to the most favorably insured of the Company's directors.

8. Exceptions. Any other provision herein to the contrary notwithstanding, the Company shall not be obligated pursuant to the terms of this Agreement:

(a) Claims Under Section 16(b). To indemnify the Indemnitee for expenses and the payment of profits or an accounting thereof arising from the purchase and sale by the Indemnitee of securities in violation of the provisions of Section 16(b) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or any similar provisions of any international, federal, state or local statutory law;

(b) Unauthorized Settlements. To indemnify the Indemnitee hereunder for any amounts paid in settlement of a proceeding unless the Company consents in advance in writing to such settlement, which consent shall not be unreasonably withheld;

(c) Unlawful Indemnification. To indemnify the Indemnitee if a final decision by a court having jurisdiction in the matter shall determine that such indemnification is not lawful. In this respect, the Company and the Indemnitee have been advised that the U.S. Securities and Exchange Commission takes the position that indemnification for liabilities arising under securities laws is against public policy and is, therefore, unenforceable and that claims for indemnification should be submitted to appropriate courts for adjudication;

(d) Fraud. To indemnify the Indemnitee if a final decision by a court having jurisdiction in the matter shall determine that the Indemnitee has committed fraud on the Company;

(e) Insurance. To indemnify the Indemnitee for which payment is actually and fully made to the Indemnitee under a valid and collectible insurance policy; or

(f) Company Contracts. To indemnify the Indemnitee with respect to any Claim related to any dispute or breach arising under any contract or similar obligation between the Company and the Indemnitee.

9. Period of Limitations. No legal action shall be brought and no cause of action shall be asserted by or in the right of the Company against the Director, the Director's estate, spouse, heirs, executors or personal or legal representatives after the expiration of five (5) years from the date of accrual of such cause of action, and any claim or cause of action of the Company shall be extinguished and deemed released unless asserted by the timely filing of a legal action within such five (5) year period; provided, however, that if any shorter period of limitations is otherwise applicable to any such cause of action, such shorter period shall govern.

10. Construction of Certain Phrases.

(a) For purposes of this Agreement, references to the "**Company**" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors and officers, so that if the Director is or was or may be deemed a director or officer of such constituent corporation, or is or was or may be deemed to be serving at the request of such constituent corporation as a director or officer of another corporation, partnership, joint venture, employee benefit plan, trust or other enterprise, the Indemnitee shall stand in the same position under the provisions of this Agreement with respect to the resulting or surviving corporation as the Director would have with respect to such constituent corporation if its separate existence had continued.

(b) For purposes of this Agreement, references to "**other enterprises**" shall include employee benefit plans; references to "**fines**" shall include any excise taxes assessed on the Director with respect to an employee benefit plan; and references to "**serving at the request of the Company**" shall include any service as a director or officer of the Company which imposes duties on, or involves services by, such director or officer with respect to an employee benefit plan, its participants or its beneficiaries; and if the Director acted in good faith and in a manner Director reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan, the Director shall be deemed to have acted in a manner "**not opposed to the best interests of the Company**" as referred to in this Agreement.

(c) For purposes of this Agreement a "**Change in Control**" shall be deemed to have occurred if (i) any "person" (as such term is used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, becomes the "**beneficial owner**" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing more than thirty percent (30%) of the total voting power represented by the Company's then outstanding Voting Securities, (ii) during any period of two (2) consecutive years, individuals who at the beginning of such period constitute the Board of Directors of the Company and any new director whose election by the Board of Directors or nomination for election by the Company's stockholders was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof, or (iii) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation other than a merger or consolidation which would result in the Voting Securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into Voting Securities of the surviving entity) at least two-thirds (2/3) of the total voting power represented by the Voting Securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, or (iv) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of (in one transaction or a series of transactions) all or substantially all of the Company's assets; provided that in no event shall a Change in Control be deemed to include (A) a merger, consolidation or reorganization of the Company for the purpose of changing the Company's state of incorporation and in which there is no substantial change in the shareholders of the Company or its successor (as the case may be), or (B) the Company's first firm commitment underwritten public offering of any of its securities to the general public pursuant to (x) a registration statement filed under the Securities Act, or (y) the securities laws applicable to an offering of securities in another jurisdiction pursuant to which such securities will be listed on an internationally recognized securities exchange (the "**IPO**").

(d) For purposes of this Agreement, "**Independent Legal Counsel**" shall mean an attorney or firm of attorneys, selected in accordance with the provisions of Section 1(e) hereof, who shall not have otherwise performed services for the Company or the Indemnitee within the last two (2) years (other than with respect to matters concerning the right of the Indemnitee under this Agreement).

(e) For purposes of this Agreement, a "**Reviewing Party**" shall mean any appropriate person or body consisting of a member or members of the Company's Board of Directors (other than the Director) or any other person or body appointed by the Board of Directors who is not a named party to the particular Claim for which Indemnitee is seeking indemnification, or Independent Legal Counsel.

(f) For purposes of this Agreement, "**Voting Securities**" shall mean any securities of the Company that vote generally in the election of directors.

11. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original.

12. Binding Effect; Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors, assigns, including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company, spouses, heirs, and personal and legal representatives. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all, or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance reasonably satisfactory to the Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. This Agreement shall continue in effect with respect to Claims relating to Indemnifiable Events regardless of whether the Indemnitee continues to serve as a director or officer of the Company or of any other enterprise, including subsidiaries of the Company, at the Company's request.

13. Attorneys' Fees. Subject to Section 8 and except as prohibited by applicable law, in the event that any action is instituted by the Indemnitee under this Agreement or under any liability insurance policies maintained by the Company to enforce or interpret any of the terms hereof or thereof, the Indemnitee shall be entitled to be paid all Expenses actually and reasonably incurred by the Indemnitee with respect to such action if the Indemnitee is ultimately successful in such action. In the event of an action instituted by or in the name of the Company under this Agreement to enforce or interpret any of the terms of this Agreement, the Indemnitee shall be entitled to be paid Expenses actually and reasonably incurred by the Indemnitee in defense of such action (including costs and expenses incurred with respect to the Indemnitee counterclaims and cross-claims made in such action), and shall be entitled to the advancement of Expenses with respect to such action, in each case only to the extent that the Indemnitee is ultimately successful in such action.

14. Notice. All notices and other communications required or permitted hereunder shall be in writing, shall be effective when given, and shall in any event be deemed to be given (a) five (5) days after deposit with the U.S. Postal Service or other applicable postal service, if delivered by first class mail, postage prepaid, (b) upon delivery, if delivered by hand, (c) one (1) business day after the business day of deposit with Federal Express or similar overnight courier, freight prepaid, or (d) one (1) day after the business day of delivery by facsimile transmission, with a copy thereof delivered by first class mail, postage prepaid. Any mail shall be directed, if addressed to the Indemnitee, at his or her address as set forth beneath his or her signature to this Agreement and, if to the Company, at the address of its principal corporate offices (attention: Chief Executive Officer), or at such other address as such party may designate by ten (10) days' advance written notice to the other party hereto.

15. Severability. The provisions of this Agreement shall be severable in the event that any of the provisions hereof (including any provision within a single section, paragraph or sentence) are held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, and the remaining provisions shall remain enforceable to the fullest extent permitted by law. Furthermore, to the fullest extent possible, the provisions of this Agreement (including, without limitations, each portion of this Agreement containing any provision held to be invalid, void or otherwise unenforceable, that is not itself invalid, void or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

16. Choice of Law. This Agreement shall be governed by and its provisions construed and enforced in accordance with the laws of the State of New York, as applied to contracts between California residents entered into and to be performed entirely within the State of New York, without regard to the conflict of laws principles thereof.

17. Subrogation. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee who shall execute all documents required and shall do all acts that may be necessary to secure such rights and to enable the Company effectively to bring suit to enforce such rights.

18. Amendment and Termination. No amendment, modification, termination or cancellation of this Agreement shall be effective unless it is in writing signed by the parties to be bound thereby. Notice of same shall be provided to all parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

19. No Construction as Employment Agreement. Nothing contained in this Agreement shall be construed as giving the Indemnitee any right to be retained in the employment or service of the Company or any of its subsidiaries or affiliated entities.

20. Corporate Authority. The Board of Directors of the Company and its stockholders in accordance with Cayman Islands law have approved the terms of this Agreement.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Director Indemnification Agreement on and as of the day and year first above written.

COMPANY:

21Vianet Group, Inc.
a Cayman Islands company

By: _____
Name:
Title:

DIRECTOR:

_____
Name:
Address:

Schedule

All the directors use this form indemnification agreement, therefore, only the form indemnification agreement is filed with SEC. Except for the date of execution and name of the executed director, the details of other indemnification agreements are the same as this form indemnification agreement.

Exhibit 10.4

FORM OF EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the "Agreement") is entered into as of _____, 20__ by and between 21Vianet Group, Inc., a company incorporated and existing under the laws of the Cayman Islands (the "Company") and _____, an individual (the "Executive").

RECITALS

WHEREAS, the Company desires to employ the Executive and to assure itself of the services of the Executive during the term of Employment (as defined below) and under the terms and conditions of the Agreement;

WHEREAS, the Executive desires to be employed by the Company during the term of Employment and under the terms and conditions of the Agreement;

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, the Company and the Executive agree as follows:

1. EMPLOYMENT

The Company hereby agrees to employ the Executive and the Executive hereby accepts such employment, on the terms and conditions hereinafter set forth (the "Employment").

2. TERM

Subject to the terms and conditions of the Agreement, the initial term of the Employment shall be ____ years, commencing on _____, ____ (the "Effective Date") and ending on _____, ____ (the "Initial Term"), unless terminated earlier pursuant to the terms of the Agreement. Upon expiration of the Initial Term of the Employment, the Employment shall be automatically extended for successive periods of ____ months each (each, an "Extension Period") unless either party shall have given 60 days advance written notice to the other party, in the manner set forth in Section 19 below, prior to the end of the Extension Period in question, that the term of this Agreement that is in effect at the time such written notice is given is not to be extended or further extended, as the case may be (the period during which this Agreement is effective being referred to hereafter as the "Term").

3. POSITION AND DUTIES

(a) During the Term, the Executive shall serve as _____ of the Company or in such other position or positions with a level of duties and responsibilities consistent with the foregoing with the Company and/or its subsidiaries and affiliates as the Board of Directors of the Company (the "Board") may specify from time to time and shall have the duties, responsibilities and obligations customarily assigned to individuals serving in the position or positions in which the Executive serves hereunder and as assigned by the Board, or if authorized by the Board, by the Company's Chief Executive Officer.

(b) The Executive agrees to serve without additional compensation, if elected or appointed thereto, as a director of the Company or any parent, subsidiaries or affiliated entity of the Company (collectively, the "Group") and as a member of any committees of the board of directors of any such entity, provided that the Executive is indemnified for serving in any and all such capacities on a basis no less favorable than is currently provided to any other director of any member of the Group.

(c) The Executive agrees to devote all of his or her working time and efforts to the performance of his/her duties for the Company and to faithfully and diligently serve the Company in accordance with the Agreement and the guidelines, policies and procedures of the Company approved from time to time by the Board.

4. NO BREACH OF CONTRACT

The Executive hereby represents to the Company that: (i) the execution and delivery of the Agreement by the Executive and the performance by the Executive of the Executive's duties hereunder shall not constitute a breach of, or otherwise contravene, the terms of any other agreement or policy to which the Executive is a party or by which the Executive is otherwise bound, except that the Executive does not make any representation with respect to agreements required to be entered into by and between the Executive and any member of the Group pursuant to the applicable law of the jurisdiction in which the Executive is based, if any; (ii) that the Executive is not in possession of any information (including, without limitation, confidential information and trade secrets) the knowledge of which would prevent the Executive from freely entering into the Agreement and carrying out his/her duties hereunder; (iii) that the Executive is not bound by any confidentiality, trade secret or similar agreement with any person or entity other than any member of the Group.

5. LOCATION

The Executive will be based in _____, China or any other location as requested by the Company during the Term.

6. COMPENSATION AND BENEFITS

(a) Cash Compensation. As compensation for the performance by the Executive of his or her obligations hereunder, during the Term, the Company shall pay the Executive cash compensation (inclusive of the statutory benefit contributions that the Company is required to set aside for the Executive under applicable law) pursuant to Schedule A hereto, subject to annual review and adjustment by the Board or any committee designated by the Board.

(b) Equity Incentives. During the Term, the Executive shall be eligible to participate, at a level comparable to similarly situated executives of the Company, in such long-term compensation arrangements as may be authorized from time to time by the Board, including any share incentive plan the Company may adopt from time to time in its sole discretion.

(c) Benefits. During the Term, the Executive shall be entitled to participate in all of the employee benefit plans and arrangements made available by the Company to its similarly situated executives, including, but not limited to, any retirement plan, medical insurance plan and travel/holiday policy, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements.

7. TERMINATION OF THE AGREEMENT

The Employment may be terminated as follows:

(a) Death. The Employment shall terminate upon his/her death.

(b) Disability. The Employment shall terminate if the Executive has a disability, including any physical or mental impairment which, as reasonably determined by the Board, renders the Executive unable to perform the essential functions of his/her position at the Company, even with reasonable accommodation that does not impose an undue burden on the Company, for more than 180 days in any 12-month period, unless a longer period is required by applicable law, in which case that longer period shall apply.

(c) Cause. The Company may terminate the Executive's employment hereunder for Cause. The occurrence of any of the following, as reasonably determined by the Company, shall be a reason for Cause, provided that, if the Company determines that the circumstances constituting Cause are curable, then such circumstances shall not constitute Cause unless and until the Executive has been informed by the Company of the existence of Cause and given an opportunity of ten business days to cure, and such Cause remains uncured at the end of such ten-day period:

(1) continued failure by the Executive to satisfactorily perform his duties;

(2) willful misconduct or gross negligence by the Executive in the performance of his duties hereunder, including insubordination;

(3) the Executive's conviction or entry of a guilty or nolo contendere plea of any felony or any misdemeanor involving moral turpitude;

(4) the Executive's commission of any act involving dishonesty that results in material financial, reputational or other harm, monetary or otherwise, to any member of the Group, including but not limited to an act constituting misappropriation or embezzlement of the property of any member of the Group as determined in good faith by the Board; or

(5) any material breach by the Executive of this Agreement.

(d) Good Reason. The Executive may terminate his employment hereunder for "Good Reason" upon the occurrence, without the written consent of the Executive, of an event constituting a material breach of this Agreement by the Company that has not been fully cured within ten business days after written notice thereof has been given by the Executive to the Company setting forth in sufficient detail the conduct or activities the Executive believes constitute grounds for Good Reason, including but not limited to:

(1) the assignment to the Executive of any duties materially inconsistent with the Executive's status as a senior officer of the Company or a substantial adverse alteration in the nature or status of the Executive's responsibilities; and

(2) the failure by the Company to pay to the Executive any portion of the Executive's current compensation or to pay to the Executive any portion of an installment of deferred compensation under any deferred compensation program of the Company, within seven business days of the date such compensation is due.

(e) Without Cause by the Company; Without Good Reason by the Executive. The Company may terminate the Executive's employment hereunder at any time without Cause upon one-month prior written notice to the Executive. The Executive may terminate the Executive's employment voluntarily for any reason or no reason at any time by giving one-month prior written notice to the Company.

(f) Notice of Termination. Any termination of the Executive's employment under the Agreement shall be communicated by written notice of termination ("Notice of Termination") from the terminating party to the other party. The notice of termination shall indicate the specific provision(s) of the Agreement relied upon in effecting the termination.

(g) Date of Termination. The "Date of Termination" shall mean (i) if the Executive's employment is terminated by the Executive's death, the date of his death, (ii) if the Executive's employment is terminated by the Executive's disability, by the Company for Cause or by the Executive without Good Reason, the date specified in the Notice of Termination and (iii) if the Executive's employment is terminated without cause or by the Executive for Good Reason, the date on which a Notice of Termination is given or any later date (within thirty (30) days) set forth in such Notice of Termination.

(h) Compensation upon Termination.

(1) Death. If the Executive's employment is terminated by reason of the Executive's death, the Company shall have no further obligations to the Executive under this Agreement and the Executive's benefits shall be determined under the Company's retirement, insurance and other benefit and compensation plans or programs then in effect in accordance with the terms of such plans and programs.

(2) By Company without Cause or by the Executive for Good Reason. If the Executive's employment is terminated by the Company other than for Cause or by the Executive for Good Reason, the Company shall (i) continue to pay and otherwise provide to the Executive, during any notice period (not to exceed thirty (30) days), all compensation, base salary and previously earned but unpaid incentive compensation, if any, and shall continue to allow the Executive to participate in any benefit plans in accordance with the terms of such plans during such notice period; and (ii) pay to the Executive, in lieu of benefits under any severance plan or policy of the Company, an amount equal to the sum of the Executive's 12 months' base salary as in effect as of the Date of Termination.

(3) By Company for Cause or by the Executive other than for Good Reason. If the Executive's employment shall be terminated by the Company for Cause or by the Executive other than for Good Reason, the Company shall pay the Executive his base salary at the rate in effect at the time Notice of Termination is given through the Date of Termination, and the Company shall have no additional obligations to the Executive under this Agreement.

(4) Compensation Upon any Termination. Following any termination of the Executive's employment, the Company shall pay the Executive all amounts, if any, to which the Executive is entitled as of the Date of Termination under any compensation plan or benefit plan or program of the Company, at the time such payments are due in accordance with the terms of such plans or programs.

(i) Return of Company Property. The Executive agrees that following the termination of the Executive's employment for any reason, or at any time prior to the Executive's termination upon the request of the Company, he/she shall return all property of the Group, which is then in or thereafter comes into his/her possession, including, but not limited to, any Confidential Information (as defined below) or Intellectual Property (as defined below), or any other documents, contracts, agreements, plans, photographs, projections, books, notes, records, electronically stored data and all copies, excerpts or summaries of the foregoing, as well as any automobile or other materials or equipment supplied by the Group to the Executive, if any.

(j) Requirement for a Release. Notwithstanding the foregoing, the Company's obligations to pay or provide any benefits shall (1) cease as of the date the Executive breaches any of the provisions of Sections 8, 9 and 11 hereof, and (2) be conditioned on the Executive signing the Company's customary release of claims in favor of the Group and the expiration of any revocation period provided for in such release.

8. CONFIDENTIALITY AND NONDISCLOSURE

(a) Confidentiality and Non-Disclosure.

(1) The Executive acknowledges and agrees that: (A) the Executive holds a position of trust and confidence with the Company and that his employment by the Company will require that the Executive have access to and knowledge of valuable and sensitive information, material, and devices relating to the Company and/or its business, activities, products, services, customers and vendors, including, but not limited to, the following, regardless of the form in which the same is accessed, maintained or stored: the identity of the Company's actual and prospective customers and their representatives; prior, current or future research or development activities of the Company and/or its customers; the products and services provided or offered by the Company to customers or potential customers and the manner in which such services are performed or to be performed; the product and/or service needs of actual or prospective customers; pricing and cost information; information concerning the development, engineering, design, specifications, acquisition or disposition of products and/or services of the Company; unique and/or proprietary computer equipment, programs, software and source codes, licensing information, personnel information, vendor information, marketing plans and techniques, forecasts, and other trade secrets ("Confidential Information"); and (B) the direct and indirect disclosure of any such Confidential Information would place the Company at a competitive disadvantage and would do damage, monetary or otherwise, to the Company's business.

(2) During the Term and at all times thereafter, the Executive shall not, directly or indirectly, whether individually, as a director, stockholder, owner, partner, employee, consultant, principal or agent of any business, or in any other capacity, publish or make known, disclose, furnish, reproduce, make available, or utilize any of the Confidential Information without the prior express written approval of the Company, other than in the proper performance of the duties contemplated herein, unless and until such Confidential Information is or shall become general public knowledge through no fault of the Executive.

(3) In the event that the Executive is required by law to disclose any Confidential Information, the Executive agrees to give the Company prompt advance written notice thereof and to provide the Company with reasonable assistance in obtaining an order to protect the Confidential Information from public disclosure.

(4) The failure to mark any Confidential Information as confidential shall not affect its status as Confidential Information under this Agreement.

(c) Third Party Information in the Executive's Possession. The Executive agrees that he shall not, during the Term, (i) improperly use or disclose any proprietary information or trade secrets of any former employer or other person or entity with which the Executive has an agreement or duty to keep in confidence information acquired by Executive, if any, or (ii) bring into the premises of Company any document or confidential or proprietary information belonging to such former employer, person or entity unless consented to in writing by such former employer, person or entity. The Executive will indemnify the Company and hold it harmless from and against all claims, liabilities, damages and expenses, including reasonable attorneys' fees and costs of litigation, arising out of or in connection with any violation of the foregoing.

(d) Third Party Information in the Company's Possession. The Executive recognizes that the Company may have received, and in the future may receive, from third parties their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. The Executive agrees that the Executive owes the Company and such third parties, during the Term and thereafter, a duty to hold all such confidential or proprietary information in strict confidence and not to disclose such information to any person or firm, or otherwise use such information, in a manner inconsistent with the limited purposes permitted by the Company's agreement with such third party.

This Section 8 shall survive the termination of the Agreement for any reason. In the event the Executive breaches this Section 8, the Company shall have right to seek remedies permissible under applicable law.

9. INTELLECTUAL PROPERTY

(a) Prior Inventions. The Executive has attached hereto, as Schedule B, a list describing all inventions, ideas, improvements, designs and discoveries, whether or not patentable and whether or not reduced to practice, original works of authorship and trade secrets made or conceived by or belonging to the Executive (whether made solely by the Executive or jointly with others) that (i) were developed by Executive prior to the Executive's employment by the Company (collectively, "Prior Inventions"), (ii) relate to the Company' actual or proposed business, products or research and development, and (iii) are not assigned to the Company hereunder; or, if no such list is attached, the Executive represents that there are no such Prior Inventions. Except to the extent set forth in Schedule B, the Executive hereby acknowledges that, if in the course of his/her service for the Company, the Executive incorporates into a Company product, process or machine a Prior Invention owned by the Executive or in which he has an interest, the Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide right and license (which may be freely transferred by the Company to any other person or entity) to make, have made, modify, use, sell, sublicense and otherwise distribute such Prior Invention as part of or in connection with such product, process or machine.

(b) Assignment of Intellectual Property. The Executive hereby assigns to the Company or its designees, without further consideration and free and clear of any lien or encumbrance, the Executive's entire right, title and interest (within the United States and all foreign jurisdictions), to any and all inventions, discoveries, improvements, developments, works of authorship, concepts, ideas, plans, specifications, software, formulas, databases, designees, processes and contributions to Confidential Information created, conceived, developed or reduced to practice by the Executive (alone or with others) during the Employment Period which (A) are related to the Company's current or anticipated business, activities, products, or services, (B) result from any work performed by Executive for the Company, or (iii) are created, conceived, developed or reduced to practice with the use of Company property, including any and all Intellectual Property Rights (as defined below) therein ("Work Product"). Any Work Product which falls within the definition of "work made for hire", as such term is defined in the U.S. Copyright Act, shall be considered a "work made for hire", the copyright in which vests initially and exclusively in the Company. The Executive waives any rights to be attributed as the author of any Work Product and any "droit morale" (moral rights) in Work Product. The Executive agrees to immediately disclose to the Company all Work Product. For purposes of this Agreement, "Intellectual Property" shall mean any patent, copyright, trademark or service mark, trade secret, or any other proprietary rights protection legally available.

(c) Patent and Copyright Registration. The Executive agrees to execute and deliver any instruments or documents, and to do all other things reasonably requested by the Company in order to more fully vest the Company with all ownership rights in the Work Product. If any Work Product is deemed by the Company to be patentable or otherwise registrable, the Executive shall assist the Company (at the Company's expense) in obtaining letters of patent or other applicable registration therein and shall execute all documents and do all things, including testifying (at the Company's expense) necessary or appropriate to apply for, prosecute, obtain, or enforce any Intellectual Property right relating to any Work Product. Should the Company be unable to secure the Executive's signature on any document deemed necessary to accomplish the foregoing, whether due to the Executive's disability or other reason, the Executive hereby irrevocably designates and appoints the Company and each of its duly authorized officers and agents as the Executive's agent and attorney-in-fact to act for and on the Executive's behalf and stead to take any of the actions required of Executive under the previous sentence, with the same effect as if executed and delivered by the Executive, such appointment being coupled with an interest.

This Section 9 shall survive the termination of the Agreement for any reason. In the event the Executive breaches this Section 9, the Company shall have right to seek remedies permissible under applicable law.

10. CONFLICTING EMPLOYMENT.

The Executive hereby agrees that, during the Term, he/she will not engage in any other employment, occupation, consulting or other business activity related to the business in which the Company is now involved or becomes involved during the Term, nor will the Executive engage in any other activities that conflict with his/her obligations to the Company without the prior written consent of the Company.

11. NON-COMPETITION AND NON-SOLICITATION

(a) Non-Competition. In consideration of the compensation provided to the Executive by the Company hereunder, the adequacy of which is hereby acknowledged by the parties hereto, the Executive agree that during the Term and for a period of one year following the termination of the Employment for whatever reason, the Executive shall not engage in Competition (as defined below) with the Group. For purposes of this Agreement, "Competition" by the Executive shall mean the Executive's engaging in, or otherwise directly or indirectly being employed by or acting as a consultant or lender to, or being a director, officer, employee, principal, agent, stockholder, member, owner or partner of, or permitting the Executive's name to be used in connection with the activities of, any other business or organization which competes, directly or indirectly, with the Group in the Business; provided, however, it shall not be a violation of this Section 11(a) for the Executive to become the registered or beneficial owner of up to five percent (5%) of any class of the capital stock of a corporation in Competition with the Group that is registered under the U.S. Securities Exchange Act of 1934, as amended, provided that the Executive does not otherwise participate in the business of such corporation.

For purposes of this Agreement, the "Business" means data center services and any other business which the Group engages in, or is preparing to become engaged in, during the Term.

(b) Non-Solicitation; Non-Interference. During the Employment Period and for a period of one year following the termination of the Executive's employment for any reason, the Executive agrees that he or she will not, directly or indirectly, for the Executive's benefit or for the benefit of any other person or entity, do any of the following:

(1) solicit from any customer doing business with the Group during the Term business of the same or of a similar nature to the Business;

(2) solicit from any known potential customer of the Group business of the same or of a similar nature to that which has been the subject of a known written or oral bid, offer or proposal by the Group, or of substantial preparation with a view to making such a bid, proposal or offer;

(3) solicit the employment or services of, or hire or engage, any person who is known to be employed or engaged by the Group; or

(4) otherwise interfere with the business or accounts of the Group, including, but not limited to, with respect to any relationship or agreement between the Group and any vendor or supplier.

(c) Injunctive Relief; Indemnity of Company. The Executive agrees that any breach or threatened breach of subsections (a) and (b) of this Section 12 would result in irreparable injury and damage to the Company for which an award of money to the Company would not be an adequate remedy. The Executive therefore also agrees that in the event of said breach or any reasonable threat of breach, the Company shall be entitled to seek an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Executive and/or any and all persons and/or entities acting for and/or with the Executive. The terms of this paragraph shall not prevent the Company from pursuing any other available remedies for any breach or threatened breach hereof, including, but not limited to, remedies available under this Agreement and the recovery of damages. The Executive and the Company further agree that the provisions of this Section 11 are reasonable. The Executive agrees to indemnify and hold harmless the Company from and against all reasonable expenses (including reasonable fees and disbursements of counsel) which may be incurred by the Company in connection with, or arising out of, any violation of this Agreement by the Executive. This Section 11 shall survive the termination of the Agreement for any reason.

12. WITHHOLDING TAXES

Notwithstanding anything else herein to the contrary, the Company may withhold (or cause there to be withheld, as the case may be) from any amounts otherwise due or payable under or pursuant to the Agreement such national, provincial, local or any other income, employment, or other taxes as may be required to be withheld pursuant to any applicable law or regulation.

13. ASSIGNMENT

The Agreement is personal in its nature and neither of the parties hereto shall, without the consent of the other, assign or transfer the Agreement or any rights or obligations hereunder; provided, however, that the Company may assign or transfer the Agreement or any rights or obligations hereunder to any member of the Group without such consent. If the Executive should die while any amounts would still be payable to the Executive hereunder if the Executive had continued to live, all such amounts unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the Executive's devisee, legatee, or other designee or, if there be no such designee, to the Executive's estate. The Company will require any and all successors (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as the Executive would be entitled to hereunder if the Company had terminated the Executive's employment other than for Cause, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Agreement, "Company" shall mean the Company as herein before defined and any successor to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this Section 13 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

14. SEVERABILITY

If any provision of the Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of the Agreement which can be given effect without the invalid provisions or applications and to this end the provisions of the Agreement are declared to be severable.

15. ENTIRE AGREEMENT

The Agreement constitutes the entire agreement and understanding between the Executive and the Company regarding the terms of the Employment and supersedes all prior or contemporaneous oral or written agreements concerning such subject matter. The Executive acknowledges that he has not entered into the Agreement in reliance upon any representation, warranty or undertaking which is not set forth in the Agreement.

16. GOVERNING LAW

The Agreement shall be governed by and construed in accordance with the law of the State of New York, USA, without regard to the conflicts of law principles.

17. AMENDMENT

The Agreement may not be amended, modified or changed (in whole or in part), except by a formal, definitive written agreement expressly referring to the Agreement, which agreement is executed by both of the parties hereto.

18. WAIVER

Neither the failure nor any delay on the part of a party to exercise any right, remedy, power or privilege under the Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

19. NOTICES

All notices, requests, demands and other communications required or permitted under the Agreement shall be in writing and shall be deemed to have been duly given and made if (i) delivered by hand, (ii) otherwise delivered against receipt therefor, (iii) sent by a recognized courier with next-day or second-day delivery to the last known address of the other party; or (iv) sent by e-mail with confirmation of receipt.

20. COUNTERPARTS

The Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument. The Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories. Photographic copies of such signed counterparts may be used in lieu of the originals for any purpose.

21. NO INTERPRETATION AGAINST DRAFTER

Each party recognizes that the Agreement is a legally binding contract and acknowledges that such party has had the opportunity to consult with legal counsel of choice. In any construction of the terms of the Agreement, the same shall not be construed against either party on the basis of that party being the drafter of such terms.

[Remainder of the page intentionally left blank.]

IN WITNESS WHEREOF, the Agreement has been executed as of the date first written above.

21Vianet Group, Inc.

By: _____
Name:
Title:

Executive

Signature: _____
Name:

Schedule A

Cash Compensation

	Amount	Pay Period
Base Salary		
Cash Bonus		

Schedule B

List of Prior Inventions

Title	Date	Identifying Number or Brief Description

_____ No inventions or improvements

_____ Additional Sheets Attached

Signature of Executive: _____

Print Name of Executive: _____

Date: _____

Schedule C

All the officers use this form employment agreement, therefore, only the form employment agreement is filed with SEC. Below is a list of material details in which other executed employment agreements differ from this form employment agreement except for the compensation information of each individual officer:

Name	Title	Work Location
Sheng Chen	Chairman of the Board of Directors and Chief Executive Officer	Beijing
Shang-Wen Hsiao	President and Chief Financial Officer	Beijing
Jun Zhang	Chief Operating Officer	Beijing
Feng Xiao	Vice President of Hosting Services	Beijing
Ningning Lai	Vice President of Network Services	Beijing

Exhibit 10.5

Loan Agreement

This Loan Agreement (hereafter referred to as the "Agreement"), dated as of January 28, 2011, was made and entered into between

(1) Beijing 21Vianet Broad Band Data Center Co., Ltd. (the "Lender")

Registered address: 3/F, Building 5, No.1 Jiuxianqiao Road, Chaoyang District, Beijing

Post code: 100016

(2) Sheng Chen

ID No. 110108196807271450

Jun Zhang

ID No. 110108196803261474

(Chen Shen and Jun Zhang are together referred to as the "Borrowers")

The Loaner and the Borrowers are hereinafter referred to as the "Party" respectively and the "Parties" collectively.

Whereas,

(1) The borrowers are shareholders of Beijing aBitCool Network Technology Co., Ltd. (former known as Beijing 21Vianet Information System Company Limited), with Sheng Chen holding 70% of the equity, and Jun Zhang holding another 30% (together the "Target Equity").

(2) For the purpose of developing data center business, jointly providing value-added telecommunication services, and operating the aBitCool Network, the Lender, the Borrowers and other relevant parties have previously been engaged in loan arrangements, transfer and restructuring of debts and obligations.

For the purpose of clarifying the respective rights and obligations of the Lender and the Borrowers, and upon friendly consultation, the Parties agree as follows:

1. The Loan

1.1 It is confirmed among the Parties that since July 2003, the Lender has provided Sheng Chen and Jun Zhang with a certain amount of loans. As of the date of this Agreement, Sheng Chen owes the Lender a total of RMB 7,000,000 and Jun Zhang owes the Lender a total of RMB 3,000,000 (hereinafter referred to as the "Loan under this Agreement").

1.2 The Lender and the Borrowers agree that the Loan under this Agreement is free of interest.

1.3 The Lender and the Borrowers confirm that the Loan under this Agreement has been used to fund the business operation of Beijing aBitCool Network Technology Co., Ltd.

1.4 The Parties agree that the Loan under this Agreement is an open-ended loan.

2. Borrowers' Commitment

2.1 The Borrowers, without the prior written consent of the Lender, shall not transfer (or procure to transfer) the Target Equity in whole or in part to a third party, or create any charges or restrictions on the Target Equity in whole or in part.

3. Loan Payment

3.1 Subject to applicable laws and this Clause 3, the Borrowers have the right to request the Borrowers to pay back the Loan under this Agreement at anytime.

3.2 Subject to the P.R.C. laws that are applicable at the time of payment, the Borrowers shall transfer (or procure to transfer) the Target Equity to the Lender or any organization or individual designated by the Lender, as the only way of payment, and shall complete any necessary procedures for government approval or filing.

3.3 If the Borrowers have, pursuant to this Agreement, transferred (or procured to transfer) the Target Equity to the Lender, and have offset, waived or paid back (as the case may be) the price of the Target Equity, it shall be deemed that the Borrowers have paid the Loan in full under this Agreement.

3.4 When Beijing aBitCool Network Technology Co., Ltd. has changed its shareholder register, and has duly completed the filing procedure with the relevant industry and commerce administration, with the Lender or the person the Lender designates listed as the legitimate holder of the above Target Equity, it shall be deemed that the transfer of the equity has been completed.

3.5 When Beijing aBitCool Network Technology Co., Ltd. determined the actual payment time, and if the payment method in Clause 3.2 becomes non-practicable because of law or due to the government, or the Borrowers refuse to make the payment pursuant to Clause 3.2 due to reasons other than law or government, the Lender has the right to request the Borrowers to make the payment in other designated methods and bear the default liability in Clause 5.2 under this Agreement.

4. Tax

4.1 The Lender shall bear all the relevant taxes and reasonable costs in relation to the Loan under this Agreement.

5. Termination and Default Liability

5.1 This Agreement terminates when the Borrowers have paid back the loan in full pursuant to the provisions in this Agreement.

5.2 Subject to Clause 3.5 of this Agreement, in the event that the Borrowers fail to pay back the loan pursuant to this Agreement, the Borrowers are subject to a delay penalty at a daily rate of 0.02% of the outstanding amount to the Lender (applicable from the payment date decided by the Lender), and shall compensate the Lender for the latter's economic loss directly incurred due to the default.

6. Confidentiality Obligation

The Parties acknowledge and confirm that any oral or written materials they exchanged with each other in connection with this Agreement are confidential. The Parties shall maintain all such materials in confidence and not disclose any relevant materials to any third party without the other Party's prior written consent, unless (a) the materials are or will become publicly available (other than through the receiving Party) ;(b) the disclosure is required by applicable laws or regulations; or (c) the disclosure is made by either Party to its legal or financial consultants with respect of the transaction contemplated hereof, who shall also comply with the confidential obligation similar to that in this clause. Any disclosure by the employees of either Party or any other agencies it hires will be deemed as disclosure by that Party, and that Party will be liable for breach of contract in accordance with this Agreement.

7. Applicable Laws and Dispute Resolution

7.1 The conclusion, effect, interpretation, performance, amendment and termination of the Agreement, and dispute resolution shall be governed by the P.R.C. laws.

7.2 In the case of any dispute arising from the interpretation and performance of this Agreement, the Parties hereto shall first resort to friendly negotiation. If the dispute remains unresolved 30 days after one Party issued a written notice to the other Party calling for negotiation, either Party can bring the dispute to the China International Economic and Trade Arbitration Commission. The Commission will resolve the dispute through arbitration in accordance with its current effective arbitration rules. The arbitration shall be held in Beijing. The arbitration award shall be final and binding on the Parties.

7.3 If any dispute arises from the interpretation and performance of this Agreement or any disputes are under arbitration, the Parties hereto may continue to exercise other rights and shall continue to perform other obligations under this Agreement, except the matters in dispute.

8. Miscellaneous

8.1 The Agreement shall come into force from the date of execution by the Parties. From the date of execution, if there are other written or oral agreements and documents in respect of the Loan that are in conflict with the main contents of this Agreement, this Agreement shall prevail.

8.2 The Agreement is in triplicate, and each Party holds one copy, which has the same legal effect.

8.3 This Agreement can be modified or amended with the written agreement by both Parties. Any modified or amended agreement relating to this Agreement shall constitute an integral part of this Agreement, and shall have the same effect as this Agreement.

8.4 The invalidation of any clauses under this Agreement will not affect the validity of the other clauses.

(This page is intentionally left blank. This is the signature page of the Loan Agreement.)

Lender: 21Vianet Data Center Company Limited (company seal)

Signature: /s/ Sheng Chen

Name: Sheng Chen

Title: Legal Representative

Borrower: Sheng Chen

Signature: /s/ Sheng Chen

Borrower: Jun Zhang

Signature: /s/ Jun Zhang

Exhibit 10.6

Share Pledge Agreement

This Agreement was signed on February 23, 2011.

Party A:

21Vianet Data Center Co. Ltd.

Party B:

Sheng Chen, Jun Zhang, Ran Cheng, Beijing aBitCool Network Technology Co. Ltd.

For the following issues, the above Parties, through equal and voluntary discussions, have reached an agreement and hereby agree to enter into this Agreement to be abided by the Parties.

I. Sheng Chen hereby pledges his own equity of Beijing aBitCool Network Technology Co. Ltd. (69.9% of the total equity of Beijing aBitCool Network Technology Co. Ltd., and equivalent to the contribution of RMB 6.99 million) to Party A; Jun Zhang hereby pledges his own equity of Beijing aBitCool Network Technology Co. Ltd. (30% of the total equity of Beijing aBitCool Network Technology Co. Ltd., and equivalent to the contribution of RMB 3 million) to Party A; Ran Cheng hereby pledges his own equity of Beijing aBitCool Network Technology Co. Ltd. (0.1% of the total equity of Beijing aBitCool Network Technology Co. Ltd., and equivalent to the contribution of RMB 1,000) to Party A, as security for a RMB 10 million loan granted to Sheng Chen and Jun Zhang by Party A. Without the consent of Party A, Sheng Chen, Jun Zhang and Ran Cheng shall not transfer the pledged equity, nor create other security or restrictions thereon.

II. Sheng Chen, Jun Zhang and Ran Cheng agree, to the extent permitted by the laws applicable to this Agreement, Party A could acquire the equity of Beijing aBitCool Network Technology Co. Ltd. for the purchase price of RMB 1 based on its own choice and judgment. If agreed by the Parties, the equity purchase price could be adjusted.

III. The Parties hereto shall respectively keep the confidential information obtained from and during the negotiations, execution and performance of this Agreement from other contracting Parties confidential.

IV. The execution, performance, validity, interpretation, dispute resolution and other aspects of this Agreement shall be governed by the PRC laws.

V. This Agreement shall take effect upon execution by the Parties. The original Agreement is in quintuplicate and each Party holds one copy.

(The remaining part of this page is intentionally left blank.)

(This page is intentionally left blank. This page is the signature page of the Share Pledge Agreement dated February 23, 2011.)

Party A:

21Vianet Data Center Co. Ltd.

(Signature or Seal) /s/ authorized signatory

Party B:

Sheng Chen

(Signature) /s/ Sheng Chen

Jun Zhang

(Signature) /s/ Jun Zhang

Ran Cheng

(Signature) /s/ Ran Cheng

Beijing aBitCool Network Technology Co., Ltd.

(Signature or Seal) /s/ authorized signatory

Exhibit 10.7

Power of Attorney

I, , a Chinese national (Chinese Identification Card No.:110108680727145), and a holder of % ("My Share") of Beijing aBitCool Network Technology Co., Ltd., (the "Target Company"), hereby irrevocably authorize 21Vianet Data Center Company Limited ("WFOE") to exercise the following rights related to My Share within the term of this Power of Attorney:

WFOE is hereby authorized to act on my behalf as my exclusive agent and attorney with respect to all matters concerning My Share including but not limited to: 1) attending the shareholders' meetings of the Target Company; 2) exercising all shareholder's rights and shareholder's voting right I am entitled to according to laws and the Target Company's articles of association, including but not limited to the sale or transfer or pledge or disposition of My Share in part or in whole; and 3) designating and appointing on my behalf the legal representative (chairman), director, supervisor, general manager and other senior management members of the Target Company.

WFOE shall have the power and authority under this Power of Attorney to execute the Transfer Contract(s) stipulated in the Optional Share Purchase Agreement (to which I am required to be a party) on behalf of myself, and as a contracting party to duly perform the Share Pledge Agreement and the Optional Share Purchase Agreement, both of which were executed concurrently with this Power of Attorney. The exercise of these powers shall not impose any restrictions on this Power of Attorney.

All the actions conducted by WFOE in relation to My Share shall be deemed as my own actions, and all documents executed by WFOE shall be deemed to be executed by myself. I will hereby acknowledge those actions and documents.

WFOE is entitled to assign its rights related to the aforesaid matters to any other person or entity at its own discretion and without giving any prior notice to me or obtaining my consent.

This Power of Attorney shall be irrevocable and continuously valid from the date of execution of this Power of Attorney, so long as I am a shareholder of the Target Company.

During the term of this Power of Attorney, I hereby waive all the rights associated with My Share which have been entrusted to WFOE through this Power of Attorney, and I shall not exercise such rights by myself.

Exhibit 10.8

Power of Attorney

The Company, 21Vianet Data Center Company Limited., a limited liability company registered in China, and a holder of 100% ("the Company's Share") of the voting rights of Beijing aBitCool Network Technology Co., Ltd., (the "Target Company")

As to the voting rights of Target Company, the Company hereby irrevocably authorizes AsiaCloud Inc. to exercise the following rights related to the Company's Share within the term of this Power of Attorney:

AsiaCloud Inc. is hereby authorized to act on behalf of the Company as the exclusive agent and attorney of the Company with respect to all matters concerning the Company's Share, including but not limited to: 1) attending the shareholders' meetings of the Target Company; 2) exercising all shareholder's rights and shareholder's voting right the Company is entitled to according to law and the Target Company's Articles of Association, including but not limited to the sale or transfer or pledge or disposition of the Company's Share in part or in whole; and 3) designating and appointing on behalf of the Company itself the legal representative (chairman), director, supervisor, general manager and other senior management members of the Target Company.

All the actions conducted by AsiaCloud Inc. in relation to the Company's Share shall be deemed as the actions of the Company, and all documents executed by AsiaCloud Inc. shall be deemed to be executed by the Company. The Company will hereby acknowledge those actions and documents.

AsiaCloud Inc. is entitled to assign its rights related to the aforesaid matters to any other person or entity at its own discretion and without giving any prior notice to the Company or obtaining consent of the Company.

This Power of Attorney shall be irrevocable and continuously valid from the date of execution of this Power of Attorney.

During the term of this Power of Attorney, the Company hereby waives all the rights associated with the Company's Share, which have been entrusted to AsiaCloud Inc. through this Power of Attorney, and shall not exercise such rights by the Company.

21Vianet Data Center Company Limited

/s/ 21Vianet Data Center Company Limited

September 30, 2010

Exhibit 10.9

EXCLUSIVE TECHNICAL CONSULTING AND SERVICES AGREEMENT

This Exclusive Technical Consulting and Services Agreement (the "Agreement") is entered into as of December 19, 2006 by and between the following parties:

The PRC Subsidiary:
21ViaNet China Inc. (世纪互联数据中心有限公司)
Address: B 28 UBP, 10 Jiuxianqiao Road, Chaoyang District, Beijing 100016, the PRC

The ISP Entities:
21ViaNet System Limited (北京世纪互联信息系统有限公司)
Address: BOE Science Park, No. 10 Jiuxianqiao Road, Chaoyang District, Beijing, the PRC

21ViaNet Broadband Limited (北京世纪互联宽带数据有限公司)
Address: Room 411, 4th Floor, Science and Technology Building of Electronic Plaza, No. 12 Jiuxianqiao Road, Chaoyang District, Beijing, the PRC

WHEREAS:

(1) The PRC Subsidiary, a wholly foreign-owned enterprise registered in the People's Republic of China (the "PRC") under the laws of the PRC, provides technical consulting and services as part of its permitted business in the PRC.

(2) Each of the ISP Entities is a limited liability company registered in the PRC, and is licensed by the competent governmental authorities to carry on the business of value-added telecommunication services (the "Business").

(3) The ISP Entities require such technical consulting and services to satisfy the needs in their Business. The PRC Subsidiary therefore agrees to provide technical consulting and related services (the "Services") to the ISP Entities.

NOW THEREFORE, the parties through mutual negotiations agree as follows:

1. Technical Consulting and Services; Exclusivity

1.1 During the term of this Agreement, the PRC Subsidiary agrees to, as the exclusive provider of the Services to the ISP Entities, provide the Services as further specified in Appendix 1 hereto to the ISP Entities in relation to their Business.

1.2 Each of the ISP Entities hereby agrees to accept the Services to be provided by the PRC Subsidiary. Each of the ISP Entities further agrees that, during the term of this Agreement, the Service shall be exclusively sourced by it from the PRC Subsidiary and it shall not engage any third party to provide services the same as, similar to or comparable to or may replace the Services for such Business without the prior written consent of the PRC Subsidiary.

1.3 The PRC Subsidiary shall be the sole and exclusive owner of all rights, title and interests to any and all intellectual property rights arising from the provision of Services under this Agreement, including, without limitation, any copyrights, patent, know-how, trade secrets and otherwise, whether developed by the PRC Subsidiary or as improvements or derivatives resulting from the PRC Subsidiary's intellectual property becoming known to, possessed under or developed by the ISP Entities.

2. Calculation and Payment of the Fee for Technical Consulting and Services (the "Fee")

The parties agree that the Fee under this Agreement shall be determined according to Appendix 2.

The ISP Entities agree to mortgage the receivables of their business operations and all of their assets as at the execution date of this Agreement to the PRC Subsidiary as a security interest for the Fee. To the extent required by PRC laws and regulations, such security interests shall be registered with relevant governmental authorities.

3. Representations and Warranties

3.1 The PRC Subsidiary hereby represents and warrants as follows:

3.1.1 the PRC Subsidiary is a company duly registered and validly existing under the laws of the PRC;

3.1.2 the PRC Subsidiary has full right, power, authority and capacity and all consents and approvals of any other third party or government necessary to execute and perform this Agreement, which shall not conflict with any enforceable and effective laws or contracts binding on or applicable to the PRC Subsidiary;

3.1.3 once the Agreement has been duly executed by both parties, it will constitute a legal, valid and binding obligation of the PRC Subsidiary enforceable against it in accordance with its terms.

3.2 Each of the ISP Entities hereby represents and warrants as follows:

3.2.1 each of the ISP Entities is a limited liability company duly registered and validly existing under the laws of the PRC and is licensed to engage in the business of value-added telecommunication services.

3.2.2 each of the ISP Entities has full right, power, authority and capacity and all consents and approvals of any other third party or government necessary to execute and perform this Agreement, which shall not conflict with any enforceable and effective laws or contracts binding on or applicable to the ISP Entities.

3.2.3 except as disclosed, each of the ISP Entities has all licenses required under PRC Laws for its due and proper establishment and operation and is in full force and effect.

3.2.4 once the Agreement has been duly executed by both parties, it will constitute a legal, valid and binding obligation of the ISP Entities enforceable against it in accordance with its terms.

4. Confidentiality

4.1 Each of the ISP Entities agrees to protect and maintain the confidentiality of all of the technical and commercial data and information of the PRC Subsidiary acknowledged or received by the ISP Entities in connection with the Services provided by the PRC Subsidiary pursuant to this Agreement (collectively the "Confidential Information"). Each of the ISP Entities shall not disclose or transfer any Confidential Information to any third party without the PRC Subsidiary's prior written consent. Upon termination or expiration of this Agreement, each of the ISP Entities shall, at the PRC Subsidiary's option, return any and all documents, information or software containing any such Confidential Information to the PRC Subsidiary or destroy it, delete all of such Confidential Information from any electronic device, and cease to use it.

4.2 It is agreed that this Section 4 shall survive after any amendment, expiration or termination of this Agreement for a period of 5 years.

5. Indemnity

Each of the ISP Entities shall jointly and severally indemnify and hold harmless the PRC Subsidiary from and against any loss, damage, obligation and cost arising out of any litigation, claim or other legal procedure against the PRC Subsidiary resulting from the provision of the technical consulting and services requested by the ISP Entities.

6. Effective Date and Term

6.1 This Agreement shall be executed and come into effect as of the date first set forth above (the "Effective Date"). The term of this Agreement is 10 years, unless earlier terminated or extended as set forth in this Agreement

6.2 This Agreement may be extended only if the PRC Subsidiary gives its written consent to the extension of this Agreement before the expiration of this Agreement and on such terms as may be determined in the discretion of the PRC Subsidiary

7. Termination

7.1 Termination or Expiration

This Agreement shall expire on the tenth anniversary of the Effective Date unless this Agreement is extended as set forth above or terminated earlier as set forth below.

7.2 Early Termination

During the term of this Agreement, only the PRC Subsidiary may terminate this Agreement by giving a written notice to the ISP Entities at least 10 days prior to such termination.

7.3 Survival.

Articles 4 and 5 shall survive after the termination or expiration of this Agreement.

8. Dispute Resolution

All disputes arising out of or in connection with this Agreement shall be finally settled under the Rules of Arbitration of the China International Economic and Trade Arbitration Commission by three arbitrators appointed in accordance with rules currently effective of such arbitration commission. The place of arbitration shall be in Beijing. The language of the arbitration shall be in English

9. Force Majeure

9.1 Force Majeure shall refer to any event that is beyond the party's reasonable control and cannot be prevented with reasonable care, including acts of governments, acts of nature, fire, explosion, typhoon, flood, earthquake, tide, lightning or war. However, any shortage of credit, capital or finance shall not be regarded as an event beyond the control of a party. The party affected by Force Majeure shall notify the other party about the release without delay.

9.2 In the event that the affected party is delayed in or prevented from performing its obligations under this Agreement by Force Majeure, only to the extent within the scope of such delay or prevention, the affected party will not be responsible for any damage by reason of such a failure or delay of performance. The affected party shall take appropriate means to minimize or remove the effects of Force Majeure and attempt to resume performance of the obligations delayed or prevented by the event of Force Majeure. After the event of Force Majeure is removed, both parties agree to use their best efforts to resume performance of this Agreement.

10. Notices.

All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly received if so given) by hand delivery, facsimile transmission, or by mail (registered or certified mail, postage prepaid, return receipt requested) or by any courier service, providing proof of delivery. All communications hereunder shall be delivered to the respective parties at the following addresses or to such other address as the party to whom notice is given may have previously furnished to the other parties hereto in writing in the manner set forth above:

The PRC Subsidiary: 21ViaNet China Inc.
B 28 UBP, 10 Jiuxianqiao Road, Chaoyang District, Beijing 100016,
the PRC

The ISP Entities: 21ViaNet System Limited
BOE Science Park, No. 10 Jiuxianqiao Road, Chaoyang District,
Beijing, the PRC

21ViaNet Broadband Limited
Room 411, 4th Floor, Science and Technology Building of Electronic
Plaza, No. 12 Jiuxianqiao Road, Chaoyang District, Beijing, the PRC

11. No Assignment

Neither this Agreement nor any right, interest or obligation hereunder may be assigned by any party hereto without the prior written consent of the other party hereto and any attempt to do so will be void, except that the PRC Subsidiary may assign any right, interest or obligation hereunder to its Affiliates. Subject to the preceding sentence, this Agreement is binding upon, inures to the benefit of and is enforceable by the parties hereto and their respective successors and permitted assigns. For the purpose of this Agreement, "Affiliate" means any legal or natural person (the "Person") that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Person specified.

12. Severability

If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, and if the rights or obligations of any party hereto under this Agreement will not be materially and adversely affected thereby, (a) such provision will be fully severable, (b) this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (c) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom and (d) in lieu of such illegal, invalid or unenforceable provision, there will be added as a part of this Agreement a mutually acceptable, legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

13. Amendment and Supplement

Any amendment and supplement of this Agreement shall come into force only after a written agreement is signed by both parties. The amendment and supplement duly executed by both parties shall be part of this Agreement and shall have the same legal effect as this Agreement.

14. Governing Law

This Agreement, the rights and obligations of the parties hereto, and any claims or disputes relating thereto, shall be governed by and construed in accordance with PRC laws, without giving effect to the choice of law rules thereof.

15. Miscellaneous

This Agreement is executed in three (3) copies in English.

IN WITNESS THEREOF the parties hereto have caused this Agreement to be duly executed on their behalf by a duly authorized representative as of the date first set forth above.

The PRC Subsidiary:

21 ViaNet China Inc.
Authorized Representative: Chen Sheng
Title: DIRECTOR

The ISP Entities:

21ViaNet System Limited
Authorized Representative: Chen Sheng

21ViaNet Broadband Limited
Authorized Representative: Zhang Jun

Appendix 1: The list of Technical Consulting and Services

The PRC Subsidiary shall provide the following technical consulting and services to the ISP Entities:

1. Internet technology services; and

2. Management consulting services.

Appendix 2: Calculation and Payment of the Fee for Technical Consulting and Services

The ISP Entities shall pay a technical consulting and service fee (the "Fees") equals to the product of (i) an hourly rate of CNY 1000.00 and (ii) number of hours spent in provision of such services. The PRC Subsidiary may, in its sole discretion, adjust the fees for the technical consulting and services provided to the ISP Entities.

The Fees shall be paid within 5 days upon submission of an invoice by the PRC Subsidiary to the ISP Entities on a monthly basis.

Exhibit 10.10

OPTIONAL SHARE PURCHASE AGREEMENT

The Optional Share Purchase Agreement, dated as of December 19, 2006 (the "Agreement"), is made by and among the following parties:

(1) 21ViaNet China Inc. (世纪互联数据中心有限公司), a wholly foreign-owned enterprise registered in the People's Republic of China ("PRC"), with the address at B 28 UBP, 10 Jiuxianqiao Road, Chaoyang District, Beijing 100016, PRC (the "PRC Subsidiary");

(2) 21ViaNet System Limited (北京世纪互联信息系统有限公司), a limited liability company registered in the PRC, with the address at BOE Science Park, No. 10 Jiuxianqiao Road, Chaoyang District, Beijing, the PRC ("VNS"); and 21 ViaNet Broadband Limited (北京世纪互联宽带数据有限公司), a subsidiary 100% owned by VNS, with the address at Room 411, 4th Floor, Science and Technology Building of Electronic Plaza, No. 12 Jiuxianqiao Road, Chaoyang District, Beijing, the PRC ("VNB", and together with VNS, the "ISP Entities"); and

(3) Chen Sheng (陈升), a PRC citizen with the ID No. 110108680727145, and Zhang Jun (张俊), a PRC citizen with the ID No. 110108196803261474 (collectively, the "Shareholders").

As used in this Agreement, each of the PRC Subsidiary, the ISP Entities and the Shareholders is referred to as a "party" individually and the "parties" collectively.

WHEREAS:

1. Chen Sheng holds 70% equity interests in VNS and Zhang Jun holds 30% equity interests in VNS; VNS holds 100% equity interests in VNB (collectively, the "Equity Interest").

2. The PRC Subsidiary and the ISP Entities have entered into a series of contracts, under which the PRC Subsidiary provides technical support to the ISP entities, and both desire closer relationship with each other.

NOW, THEREFORE, the parties to this Agreement hereby agree as follows:

1. Purchase and Sale of Equity Interest

Section 1.1 Authorization

The Shareholders hereby irrevocably grant to the PRC Subsidiary, under the laws of the PRC, an irrevocable sole option ("Purchase Right of Equity Interest") for the PRC Subsidiary or one or more persons designated by the PRC Subsidiary (the "Designated Persons") to acquire (in accordance with steps decided by the PRC Subsidiary and at the price specified in Section 1.3 hereof) at any time from the Shareholders or VNS all or part of the Equity Interest in the ISP Entities whenever the acquisition is permissible under PRC law. Except for the PRC Subsidiary and the Designated Persons, where applicable, the Shareholders shall not grant or cause to be granted such right to any other party. Each of the ISP Entities hereby agrees to the delivery of Purchase Right of Equity Interest from the Shareholders or VNS to the PRC Subsidiary. For the purposes of this Agreement, "person" has the meaning of person, corporation, joint venture, partnership, enterprise, trust or non-corporation organization.

Section 1.2 Steps

The exercise of Purchase Right of Equity Interest of the PRC Subsidiary shall be upon and subject to the laws and regulations of PRC. The PRC Subsidiary shall send a written notice (the "Notice of Purchase of Equity Interest") to the Shareholders and/or VNS (as the case may be) to exercise the Purchase Right of Equity Interest, and the Notice of Purchase of Equity Interest shall contain the following:

(a) The PRC Subsidiary's decision to exercise the purchase right;

(b) The equity interests to be purchased by the PRC Subsidiary or the Designated Person, where applicable, from the Shareholders and/or VNS (the "Purchased Equity Interest");

(c) Purchase date and Equity Interest transferring date.

Section 1.3 Purchase Price

Unless otherwise required, expressly or impliedly, by the PRC laws and regulations when the Equity Interest Purchase Right is exercised, the Purchase Price shall be One (1.00) CNY.

Section 1.4 Transfer of the Purchased Equity Interest

Upon each and every exercise by the PRC Subsidiary or the Designated Person of the Purchase Right of Equity Interest:

(a) The Shareholders shall cause the ISP Entities to adopt a resolution pursuant to applicable laws to transfer the equity interest from the Shareholders and/or VNS to the PRC Subsidiary and/or the Designated Persons, where applicable;

(b) The Shareholders and/or VNS shall, upon the terms and conditions of this Agreement and the Notice of Purchase of Equity Interest, enter into Equity Interest transfer agreement with the PRC Subsidiary (or, as applicable, the Designated Persons);

(c) The related parties shall execute all other requisite contracts, agreements or documents, obtain all necessary approval and consent of the government, and perform all requisite actions to transfer the valid ownership of the Purchased Equity Interest (free of any Security Interest) to the PRC Subsidiary and/or the Designated Person and to cause the PRC Subsidiary and/or the Designated Person to be the registered owner of the Purchased Equity Interest. For the purposes of this Agreement, "Security Interest" has the meaning of security, mortgage, right or interest of the third party, any purchase right of equity interest, right of acquisition, preemptive right, right of set-off, encumbrance or other security arrangements. Notwithstanding the foregoing, it does not include any security interest subject to this Agreement or the Equity Interest Pledge Agreement entered into by the PRC Subsidiary and the Shareholders and VNS and effective from the Closing Date.

2. Covenants Relating to Equity Interest

Each of the Shareholders hereby covenants that he shall use his best efforts to cause the ISP Entities:

(a) Without prior written consent by the PRC Subsidiary or the Designated Person, not, in any form, to change, amend or restate the articles of the association of the ISP Entities or to change their existing business scope, to increase or decrease registered capital of the corporation, or to change the structure of the registered capital in any other forms;

(b) To follow safe and sound finance and business standard and practice, maintain the existence of the corporation and prudently and effectively operate business;

(c) Without prior written consent by the PRC Subsidiary or the Designated Person, not, from the execution date of this Agreement, to sell, transfer, mortgage or dispose in any other form any assets, legitimate or beneficial interest of business or income of the ISP Entities, or to approve any other security interest set on it;

(d) Without prior written consent by the PRC Subsidiary or the Designated Person, no debt shall take place, be inherited, be guaranteed, or be allowed to exist, with the exception of: (i) receivables or payables incurred from normal or daily business; (ii) debt having been disclosed to or having obtained written consent from the PRC Subsidiary;

(e) To normally operate all business to maintain the asset value of the ISP Entities, without engaging in any action that adversely affects the operation and asset value;

(f) Without prior written consent by the PRC Subsidiary or the Designated Person, not to enter into any material contract, with the exception of the contract entered into during the normal business (for the purposes of this paragraph, a contract with a value more than CNY 200,000 shall be deemed as material);

(g) Without prior written consent by the PRC Subsidiary or the Designated Person, not to provide loan or credit to any person;

(h) Upon request, to provide all operation and finance materials relevant to the ISP Entities to the PRC Subsidiary or the Designated Person;

(i) Without prior written consent by the PRC Subsidiary or the Designated Person, not to merge or associate with any person, or purchase any person or invest in any person;

(j) To immediately notify the PRC Subsidiary of the occurrence or, to the best knowledge, the likely occurrence of a material litigation, arbitration or administrative procedure related to the assets, business and operation of the ISP Entities;

(k) In order to maintain the title of the ISP Entities to all its assets, to execute all requisite or appropriate documents, take all requisite or appropriate action, advance all requisite or appropriate accusation, or make requisite or appropriate plea for all claims; and

(l) Upon the request of the PRC Subsidiary or the Designated Person, to appoint any person(s) designated by the PRC Subsidiary to be the member(s) of the Board of Directors of the ISP Entities.

3. Representations and Warranties of the ISP Entities and the Shareholders

Dated as of the execution date of this Agreement and every transferring date, each of the Shareholders and the ISP Entities hereby represents and warrants jointly and severally to the PRC Subsidiary as follows:

(a) It has the power and ability to enter into and deliver this Agreement, and any equity interest transferring agreements (hereinafter referred to as "Transferring Agreement") in which it is a party, for every single transfer of the Purchased Equity Interest according to this Agreement, and to perform its obligations under this Agreement and any Transferring Agreement by which it is bound at such time. Upon execution, this Agreement and the Transferring Agreements in which it is a party constitute a legal, valid and binding obligation of it and is enforceable against it in accordance with its terms;

(b) The execution, delivery of this Agreement and any Transferring Agreement and performance of the obligations under this Agreement and any Transferring Agreement do not: (i) violate any relevant laws and regulations of PRC; (ii) conflict with its Articles of Association or other organizational documents; (iii) breach any contract or instruments to which it is a party; (iv) violate any conditions required for the issuance of any consent or approval and maintaining the validity thereof; or (v) cause suspension, revocation of or imposition of additional condition on any consent or approval issued to it;

(c) The shares of the ISP Entities outstanding as of the date of this Agreement are duly authorized, validly issued, fully paid and nonassessable and are owned, of record or beneficially, by the Selling Shareholders thereof free and clear of all liens, and were either issued in accordance with all applicable securities Laws or pursuant to exemptions therefrom, with the exception of the pledge of equity interests agreed by the PRC Subsidiary or the Designated Person;

(d) Each of the Shareholders has used his best efforts to cause the ISP Entities not to have any undischarged debt, with the exception of (i) debt incurred from its normal business; and (ii) debt having been disclosed to the PRC Subsidiary and having obtained written consent from the PRC Subsidiary;

(e) Each of the Shareholders has used his best efforts to cause the ISP Entities to abide by all applicable laws and regulations related to the mergers and acquisitions (share or assets);

(f) No material litigation, arbitration or administrative procedure relating to the equity interest of, assets of the ISP Entities or the ISP Entities is pending or, to the best knowledge of the Shareholders, the Shareholders and the ISP Entities, threatened or likely to occur.

(g) The Shareholders of the ISP Entities hereby waive any and all pre-emptive rights, rights of first refusal, co-sale rights or similar rights, as well as any entitlements to liquidation preferences or other preferences contemplated under the articles of association of the ISP Entities or otherwise.

4. Effective Date

This Agreement shall come into effect from Closing Date for 10 years, and is renewable by the PRC Subsidiary with terms solely determined by the PRC Subsidiary; provided that this Agreement shall automatically terminate when the Shareholders and/or VNS cease to hold any equity interest in the ISP Entities.

5. Governing Law and Dispute Resolution

Section 5.1 Governing Law

This Agreement, the rights and obligations of the parties hereto, and any related claims or disputes, shall be governed by and construed in accordance with the PRC laws, without giving effect to the choice of law rules.

Section 5.2 Dispute Resolution

All disputes arising out of or in connection with this Agreement shall be finally settled under the Rules of Arbitration of the China International Economic and Trade Arbitration Commission by three arbitrators appointed in accordance with rules currently effective of such arbitration commission. The place of arbitration shall be in Beijing. The language of the arbitration shall be in English.

6. Taxes and Expenses

Each party shall, according to laws of PRC, bear any and all applicable taxes, costs and expenses for the preparation and execution of this Agreement and all Transferring Agreements, as well as those arising from or imposed on one party, to complete the transactions of this Agreement and all Transferring Agreements.

7. Notices

All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly received if so given) by hand delivery, telegram, telex, or telecopy, or facsimile transmission, or by mail (registered or certified mail, postage prepaid, return receipt requested) or by any courier service, providing proof of delivery. All communications hereunder shall be delivered to the respective parties at the following addresses or to such other address as the party to whom notice is given may have previously furnished to the other parties hereto in writing in the manner set forth above:

If to the PRC Subsidiary:

21 ViaNet (China) Inc.
Address: B 28 UBP, 10 Jiuxianqiao Road, Chaoyang District, Beijing 100016, the PRC

If to the ISP Entities:

21 ViaNet System Limited (北京世纪互联信息系统有限公司)
Address: BOE Science Park, No. 10 Jiuxianqiao Road, Chaoyang District, Beijing, the PRC

21 ViaNet Broadband Limited (北京世纪互联宽带数据有限公司)
Address: Room 411, 4th Floor, Science and Technology Building of Electronic Plaza, No. 12 Jiuxianqiao Road, Chaoyang District, Beijing, the PRC

If to the Shareholders:

Chen Sheng (陈升)
Address: B28, UBP, 10 Jiuxianqiao Road, Chaoyang District, Beijing, 100016, PRC

Zhang Jun (张俊)
Address: B28, UBP, 10 Jiuxianqiao Road, Chaoyang District, Beijing, 100016, PRC

8. Confidentiality

The parties admit and confirm any oral or written materials exchanged by the parties relating to this Agreement are confidential. The parties shall strictly maintain the confidentiality of all such materials. Without written approval by the disclosing party, the receiving party may not disclose to any third party any confidential materials, except any information: (a) is or becomes available to the public, other than as a result of a disclosure by the receiving party in breach of this Agreement; (b) was available to the receiving party, or has become available to the receiving party, on a non-confidential basis from a source other than the disclosing party; provided that the source of such information was not bound by a confidentiality agreement with the disclosing party with respect to such material; (c) needed to be disclosed subject to applicable ordinances; or (d) necessarily disclosed to the receiving party's legal or financial consultant relating the contemplated transaction, provided the legal or financial consultant shall have similar confidentiality obligation as set forth in this Section. The breach of the confidentiality obligation by any staff or the institutions retained by the receiving party shall be deemed as the breach of such obligation by such receiving party. This Section shall survive the termination of this Agreement for a period of 5 years.

9. Further Assurances

The parties to the Agreement agree to promptly execute documents and to take actions reasonably necessary for the realization of the purpose of this Agreement.

10. Miscellaneous

Section 10.1 Amendment, Modification and Supplement

Any amendments, modification, supplements, additions or changes of the Agreement shall be in writing and come into effect upon being executed and sealed by the parties hereto.

Section 10.2 Observance of Laws and Regulations

The parties to the Agreement shall observe and make sure the business operation of each party fully abide by all applicable laws and regulations of the PRC.

Section 10.3 Entire Agreement

This Agreement constitute the sole and entire agreement among the parties hereto with respect to the subject matter hereof and supersedes and renders of no force and effect all prior oral or written agreements, commitments and undertakings among the parties with respect to the subject matter hereof.

Section 10.4 Headings

The headings used in this Agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof.

Section 10.5 Language

This Agreement is executed in five (5) copies in English.

Section 10.6 Severability

If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, and if the rights or obligations of any party hereto under this Agreement will not be materially and adversely affected thereby, (a) such provision will be fully severable, (b) this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (c) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom and (d) in lieu of such illegal, invalid or unenforceable provision, there will be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

Section 10.7 Transfer or Assignment

Neither this Agreement nor any right, interest or obligation hereunder may be assigned by any party hereto without the prior written consent of the other party hereto and any attempt to do so will be void, except the PRC Subsidiary may assign any right, interest or obligation hereunder to its affiliates. Subject to the preceding sentence, this Agreement is binding upon, inures to the benefit of and is enforceable by the parties hereto and their respective successors and assigns.

Section 10.8 Survival

(a) Any obligation arises or becomes due prior to the expiration or termination of the Agreement shall survive the expiration and termination.

(b) Section 5, Section 8 and Section 10.8 hereof shall survive the termination of this Agreement.

Section 10.9 Waiver

Any term or condition of this Agreement may be waived at any time by the party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the party waiving such term or condition. No waiver by any party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion. All remedies, either under this Agreement or by law or otherwise afforded, will be cumulative and not alternative.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed on their behalf by duly authorized representatives as of the Closing Date first written above.

The PRC Subsidiary: 21 ViaNet China Inc.
Authorized Representative: Chen Sheng

Title: DIRECTOR

Shareholders:

Chen Sheng: _____

Zhang Jun: _____

The ISP Entities:

21 ViaNet System Limited

Authorized Representative: Chen Sheng

21 ViaNet Broadband Limited
Authorized Representative: Zhang Jun

Exhibit 10.11

Confirmation Letter

I have known, fully understood and agreed to the execution and performance of the following agreements:

1. The Loan Agreement signed by Sheng Chen, Jun Zhang and 21Vianet Data Center Company Limited dated January 28, 2011.

2. The Letter of Undertakings jointly issued to Beijng aBitCool Network Technology Co. Ltd. by Sheng Chen, Jun Zhang, 21Vianet Data Center Company Limited and AsiaCloud Inc. dated September 30, 2010.

3. The Exclusive Technical Consulting and Services Agreement signed by 21Vianet Data Center Company Limited and Beijing aBitCool Network Technology Co. Ltd. dated July 15, 2003.

In addition, I hereby agree:

As a party to the Agreement, and subject to the shares I own in Beijing aBitCool Network Technology Co. Ltd. (0.1% of the total shares of Beijing aBitCool Network Technology Co. Ltd.), I shall be bound by the Optional Share Purchase Agreement signed by 21Vianet Data Center Company Limited, Sheng Chen and Jun Zhang dated December 19, 2006 (the “Agreement”), including but not limited to that 21Vianet Data Center Company Limited shall have the right to purchase the shares I own in Beijing aBitCool Network Technology Co. Ltd. at any time when permitted by laws.

Confirmed by: /s/ Ran Cheng

Date: March 30, 2011

21Vianet Group, Inc.
(formerly known as AsiaCloud Inc.)

2010 SHARE INCENTIVE PLAN

(Adopted on July 16, 2010 and amended on January 14, 2011;
share information has reflected the 10-for-1 share split effective on March 31, 2011)

ARTICLE 1

PURPOSE

The purpose of the 21Vianet Group, Inc. Share Incentive Plan (the "Plan") is to promote the success and enhance the value of 21Vianet Group, Inc., a company formed under the laws of the Cayman Islands (the "Company") by linking the personal interests of the members of the Board, Employees, and Consultants to those of the Company's shareholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to the Company's shareholders. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of members of the Board, Employees, and Consultants upon whose judgment, interest, and special effort the successful conduct of the Company's operation is largely dependent.

ARTICLE 2

DEFINITIONS AND CONSTRUCTION

Wherever the following terms are used in the Plan, they shall have the meanings specified below unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates, and vice versa.

2.1 "Applicable Laws" means the legal requirements relating to the Plan and the Awards under applicable provisions of the corporate, securities, tax and other laws, rules, regulations and government orders, and the rules of any applicable stock exchange or national market system, of any jurisdiction applicable to Awards.

2.2 "Award" means an Option, Restricted Share or Restricted Share Units award granted to a Participant pursuant to the Plan.

2.3 "Award Agreement" means any written agreement, contract, or other instrument or document evidencing an Award, including through electronic medium.

2.4 "Board" means the board of directors of the Company.

2.5 "Change of Control" means a change in ownership or control of the Company after the Registration Date effected through either of the following transactions:

(a) the direct or indirect acquisition by any person or related group of persons (other than an acquisition from or by the Company or by a Company-sponsored employee benefit plan or by a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities pursuant to a tender or exchange offer made directly to the Company's shareholders which a majority of the Incumbent Board (as defined below) who are not affiliates or associates of the offeror under Rule 12b-2 promulgated under the Exchange Act do not recommend such shareholders accept; or

(b) the individuals who, as of the Effective Date, are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least fifty percent (50%) of the Board; provided that if the election, or nomination for election by the Company's shareholders, of any new member of the Board is approved by a vote of at least fifty percent (50%) of the Incumbent Board, such new member of the Board shall be considered as a member of the Incumbent Board.

2.6 "Code" means the Internal Revenue Code of 1986 of the United States, as amended.

2.7 "Committee" means the committee of the Board described in Article 9.

2.8 "Consultant" means any consultant or adviser if: (a) the consultant or adviser renders bona fide services to a Service Recipient; (b) the services rendered by the consultant or adviser are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities; and (c) the consultant or adviser is a natural person who has contracted directly with the Service Recipient to render such services.

2.9 "Corporate Transaction" means any of the following transactions, provided, however, that the Committee shall determine under (d) and (e) whether multiple transactions are related, and its determination shall be final, binding and conclusive:

(a) an amalgamation, arrangement or consolidation or scheme of arrangement in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the jurisdiction in which the Company is incorporated;

(b) the sale, transfer or other disposition of all or substantially all of the assets of the Company;

(c) the complete liquidation or dissolution of the Company;

(d) any reverse takeover or series of related transactions culminating in a reverse takeover (including, but not limited to, a tender offer followed by a reverse takeover) in which the Company is the surviving entity but (A) the equity securities of the Company outstanding immediately prior to such takeover are converted or exchanged by virtue of the takeover into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities are transferred to a person or persons different from those who held such securities immediately prior to such takeover or the initial transaction culminating in such takeover, but excluding any such transaction or series of related transactions that the Committee determines shall not be a Corporate Transaction; or

(e) acquisition in a single or series of related transactions by any person or related group of persons (other than the Company or by a Company-sponsored employee benefit plan) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities but excluding any such transaction or series of related transactions that the Committee determines shall not be a Corporate Transaction.

2.10 "Disability" means that the Participant qualifies to receive long-term disability payments under the Service Recipient's long-term disability insurance program, as it may be amended from time to time, to which the Participant provides services regardless of whether the Participant is covered by such policy. If the Service Recipient to which the Participant provides service does not have a long-term disability plan in place, "Disability" means that a Participant is unable to carry out the responsibilities and functions of the position held by the Participant by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. A Participant will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Committee in its discretion.

2.11 "Effective Date" shall have the meaning set forth in Section 10.1.

2.12 "Employee" means any person, including an officer or member of the Board of the Company or any Subsidiary of the Company, who is in the employment of a Service Recipient, subject to the control and direction of the Service Recipient as to both the work to be performed and the manner and method of performance. The payment of a director's fee by a Service Recipient shall not be sufficient to constitute "employment" by the Service Recipient.

2.13 "Exchange Act" means the Securities Exchange Act of 1934 of the United States, as amended.

2.14 "Fair Market Value" means, as of any date, the value of Shares determined as follows:

(a) If the Shares are listed on one or more established stock exchanges or national market systems, including without limitation, The New York Stock Exchange and The Nasdaq Stock Market, its Fair Market Value shall be the closing sales price for such shares (or the closing bid, if no sales were reported) as quoted on the principal exchange or system on which the Shares are listed (as determined by the Committee) on the date of determination (or, if no closing sales price or closing bid was reported on that date, as applicable, on the last trading date such closing sales price or closing bid was reported), as reported in The Wall Street Journal or such other source as the Committee deems reliable;

(b) If the Shares are regularly quoted on an automated quotation system (including the OTC Bulletin Board) or by a recognized securities dealer, its Fair Market Value shall be the closing sales price for such shares as quoted on such system or by such securities dealer on the date of determination, but if selling prices are not reported, the Fair Market Value of a Share shall be the mean between the high bid and low asked prices for the Shares on the date of determination (or, if no such prices were reported on that date, on the last date such prices were reported), as reported in The Wall Street Journal or such other source as the Committee deems reliable; or

(c) In the absence of an established market for the Shares of the type described in (a) and (b), above, the Fair Market Value thereof shall be determined by the Committee in good faith and in its discretion by reference to (i) the placing price of the latest private placement of the Shares and the development of the Company's business operations and the general economic and market conditions since such latest private placement, (ii) other third party transactions involving the Shares and the development of the Company's business operation and the general economic and market conditions since such sale, (iii) an independent valuation of the Shares, or (iv) such other methodologies or information as the Committee determines to be indicative of Fair Market Value and relevant.

2.15 "Incentive Share Option" means an Option that is intended to meet the requirements of Section 422 of the Code or any successor provision thereto.

2.16 "Independent Director" means (i) before the Shares or other securities representing the Shares are listed on a stock exchange, a member of the Board who is not an Employee of the Company; and (ii) after the Shares or other securities representing the Shares are listed on a stock exchange, a member of the Board who meets the independence standards under the applicable corporate governance rules of such stock exchange.

2.17 "Non-Qualified Share Option" means an Option that is not intended to be an Incentive Share Option.

2.18 "Option" means a right granted to a Participant pursuant to Article 5 of the Plan to purchase a specified number of Shares at a specified price during specified time periods. An Option may be either an Incentive Share Option or a Non-Qualified Share Option.

2.19 "Participant" means a person who, as a member of the Board, Consultant or Employee, has been granted an Award pursuant to the Plan.

2.20 "Parent" means a parent corporation under Section 424(e) of the Code.

2.21 "Plan" means this 2010 Share Incentive Plan, as it may be amended from time to time.

2.22 "Related Entity" means any business, corporation, partnership, limited liability company or other entity in which the Company or a Subsidiary of the Company holds a substantial ownership interest, directly or indirectly, but which is not a Subsidiary and which the Board designates as a Related Entity for purposes of the Plan.

2.23 "Restricted Share" means a Share awarded to a Participant pursuant to Article 6 that is subject to certain restrictions and may be subject to risk of forfeiture.

2.24 "Restricted Share Unit" means the right granted to a Participant pursuant to Article 6 to receive a Share at a future date.

2.25 "Securities Act" means the Securities Act of 1933 of the United States, as amended.

2.26 "Service Recipient" means the Company, any Subsidiary of the Company and any Related Entity to which a Participant provides services as an Employee, a Consultant or a Director.

2.27 "Share" means the Ordinary Shares of the Company, par value 0.00001 per share, and such other securities of the Company that may be substituted for Shares pursuant to Article 8.

2.28 "Subsidiary" means any corporation or other entity of which a majority of the outstanding voting shares or voting power is beneficially owned directly or indirectly by the Company. For purposes of this Plan, Subsidiary shall also include any consolidated variable interest entities of the Company.

2.29 "Trading Date" means the closing of the first sale to the general public of the Shares pursuant to an effective registration statement under applicable laws, which results in the Shares being publicly traded on one or more established stock exchanges or national market systems.

ARTICLE 3

SHARES SUBJECT TO THE PLAN

3.1 Number of Shares.

(a) Subject to the provisions of Article 8 and Section 3.1(b), the maximum aggregate number of Shares which may be issued pursuant to all Awards (including Incentive Share Options) is 36,585,630 Shares (such number, the "Maximum Number") as of the Effective Date.

(b) To the extent that an Award terminates, expires, or lapses for any reason, any Shares subject to the Award shall again be available for the grant of an Award pursuant to the Plan. To the extent permitted by Applicable Laws, Shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form or combination by the Company or any Subsidiary of the Company shall not be counted against Shares available for grant pursuant to the Plan. Shares delivered by the Participant or withheld by the Company upon the exercise of any Award under the Plan, in payment of the exercise price thereof or tax withholding thereon, may again be optioned, granted or awarded hereunder, subject to the limitations of Section 3.1(a). If any Restricted Shares are forfeited by the Participant or repurchased by the Company, such Shares may again be optioned, granted or awarded hereunder, subject to the limitations of Section 3.1(a). Notwithstanding the provisions of this Section 3.1(b), no Shares may again be optioned, granted or awarded if such action would cause an Incentive Share Option to fail to qualify as an incentive share option under Section 422 of the Code.

3.2 Shares Distributed. Any Shares distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares, treasury shares (subject to Applicable Laws) or Shares purchased on the open market. Additionally, in the discretion of the Committee, American Depository Shares in an amount equal to the number of Shares which otherwise would be distributed pursuant to an Award may be distributed in lieu of Shares in settlement of any Award. If the number of Shares represented by an American Depository Share is other than on a one-to-one basis, the limitations of Section 3.1 shall be adjusted to reflect the distribution of American Depository Shares in lieu of Shares.

ARTICLE 4

ELIGIBILITY AND PARTICIPATION

4.1 Eligibility. Persons eligible to participate in this Plan include Employees, Consultants, and all members of the Board, as determined by the Committee.

4.2 Participation. Subject to the provisions of the Plan, the Committee may, from time to time, select from among all eligible individuals, those to whom Awards shall be granted and shall determine the nature and amount of each Award. No individual shall have any automatic right to be granted an Award pursuant to this Plan.

4.3 Jurisdictions. In order to assure the viability of Awards granted to Participants employed in various jurisdictions, the Committee may provide for such special terms as it may consider necessary or appropriate to accommodate differences in local law, tax policy, or custom applicable in the jurisdiction in which the Participant resides or is employed. Moreover, the Committee may approve such supplements to, or amendments, restatements, or alternative versions of, the Plan as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the Plan as in effect for any other purpose; *provided, however*, that no such supplements, amendments, restatements, or alternative versions shall increase the share limitations contained in Section 3.1 of the Plan. Notwithstanding the foregoing, the Committee may not take any actions hereunder, and no Awards shall be granted, that would violate any Applicable Laws.

ARTICLE 5

OPTIONS

5.1 General. Subject to Article 9, the Committee is authorized to grant Options to Participants on the following terms and conditions:

(a) Exercise Price. The exercise price per Share subject to an Option shall be determined by the Committee and set forth in the Award Agreement and may be a fixed or variable price related to the Fair Market Value of the Shares. The exercise price per Share subject to an Option may be amended or adjusted in the absolute discretion of the Committee, the determination of which shall be final, binding and conclusive. For the avoidance of doubt, to the extent not prohibited by Applicable Laws, a downward adjustment of the exercise prices of Options mentioned in the preceding sentence shall be effective without the approval of the Company's shareholders or the approval of the affected Participants.

(b) Time and Conditions of Exercise. The Committee shall determine the time or times at which an Option may be exercised in whole or in part, including exercise prior to vesting; *provided* that the term of any Option granted under the Plan shall not exceed ten years, except as provided in Section 11.1. The Committee shall also determine the conditions, if any, that must be satisfied before all or part of an Option may be exercised.

(c) Payment. The Committee shall determine the methods by which the exercise price of an Option may be paid, the form of payment, including, without limitation (i) cash or check denominated in U.S. Dollars, (ii) to the extent permissible under the Applicable Laws, cash or check in Chinese Renminbi, (iii) cash or check denominated in any other local currency as approved by the Committee, (iv) Shares held for such period of time as may be required by the Committee in order to avoid adverse financial accounting consequences and having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof, (v) after the Trading Date the delivery of a notice that the Participant has placed a market sell order with a broker with respect to Shares then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Option exercise price; *provided* that payment of such proceeds is then made to the Company upon settlement of such sale, (vi) other property acceptable to the Committee with a Fair Market Value equal to the exercise price, (vii) cashless exercise; or (viii) any combination of the foregoing. Notwithstanding any other provision of the Plan to the contrary, no Participant who is a member of the Board or an "executive officer" of the Company within the meaning of Section 13(k) of the Exchange Act shall be permitted to pay the exercise price of an Option in any method which would violate Section 13(k) of the Exchange Act.

(d) Evidence of Grant. All Options shall be evidenced by an Award Agreement between the Company and the Participant. The Award Agreement shall include such additional provisions as may be specified by the Committee.

5.2 Incentive Share Options. Incentive Share Options may be granted to Employees of the Company or of a Subsidiary of the Company. Incentive Share Options may not be granted to Employees of a Related Entity or to Independent Directors or Consultants. The terms of any Incentive Share Options granted pursuant to the Plan, in addition to the requirements of Section 5.1, must comply with the following additional provisions of this Section 5.2:

(a) Expiration of Option. An Incentive Share Option may not be exercised to any extent by anyone after the first to occur of the following events:

(i) Ten years from the date it is granted, unless an earlier time is set in the Award Agreement;

(ii) Three months after the Participant's termination of employment as an Employee; and

(iii) Upon the Participant's Disability or death, subject to Sections 7.2 and 7.3.

(b) Individual Dollar Limitation. The aggregate Fair Market Value (determined as of the time the Option is granted) of all Shares with respect to which Incentive Share Options are first exercisable by a Participant in any calendar year may not exceed $100,000 or such other limitation as imposed by Section 422(d) of the Code, or any successor provision. To the extent that Incentive Share Options are first exercisable by a Participant in excess of such limitation, the excess shall be considered Non-Qualified Share Options.

(c) Ten Percent Owners. An Incentive Share Option shall be granted to any individual who, at the date of grant, owns Shares possessing more than ten percent of the total combined voting power of all classes of shares of the Company only if such Option is granted at a price that is not less than 110% of Fair Market Value on the date of grant and the Option is exercisable for no more than five years from the date of grant.

(d) Transfer Restriction. The Participant shall give the Company prompt notice of any disposition of Shares acquired by exercise of an Incentive Share Option within (i) two years from the date of grant of such Incentive Share Option or (ii) one year after the transfer of such Shares to the Participant.

(e) Expiration of Incentive Share Options. No Award of an Incentive Share Option may be made pursuant to this Plan after the tenth anniversary of the Effective Date.

(f) Right to Exercise. During a Participant's lifetime, an Incentive Share Option may be exercised only by the Participant.

ARTICLE 6

RESTRICTED SHARES

6.1 Grant of Restricted Shares. Subject to Article 9, the Committee is authorized to make Awards of Restricted Shares to any Participant selected by the Committee in such amounts and subject to such terms and conditions as determined by the Committee. All Awards of Restricted Shares shall be evidenced by an Award Agreement.

6.2 Issuance and Restrictions. Restricted Shares shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Shares or the right to receive dividends on the Restricted Share). These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Committee determines at the time of the grant of the Award or thereafter.

6.3 Forfeiture/Repurchase. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period, Restricted Shares that are at that time subject to restrictions shall be forfeited or repurchased in accordance with the Award Agreement; *provided*, *however*, the Committee may (a) provide in any Restricted Share Award Agreement that restrictions or forfeiture and repurchase conditions relating to Restricted Shares will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to Restricted Shares.

6.4 Certificates for Restricted Shares. Restricted Shares granted pursuant to the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Shares are registered in the name of the Participant, certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Shares, and the Company may, at its discretion, retain physical possession of the certificate until such time as all applicable restrictions lapse.

6.5 Restricted Share Units. The Committee is authorized to make Awards of Restricted Share Units to any Participant selected by the Committee in such amounts and subject to such terms and conditions as determined by the Committee. At the time of grant, the Committee shall specify the date or dates on which the Restricted Share Units shall become fully vested and nonforfeitable, and may specify such conditions to vesting as it deems appropriate. At the time of grant, the Committee shall specify the maturity date applicable to each grant of Restricted Share Units which shall be no earlier than the vesting date or dates of the Award and may be determined at the election of the grantee. On the maturity date, the Company shall, subject to Sections 7.4 and 7.5, transfer to the Participant one unrestricted, fully transferable Share for each Restricted Share Unit scheduled to be paid out on such date and not previously forfeited.

ARTICLE 7

PROVISIONS APPLICABLE TO AWARDS

7.1 Award Agreement. Awards under the Plan shall be evidenced by Award Agreements that set forth the terms, conditions and limitations for each Award which may include the term of an Award, the provisions applicable in the event the Participant's employment or service terminates, and the Company's authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind an Award.

7.2 Limits on Transfer. No right or interest of a Participant in any Award may be pledged, encumbered, or hypothecated to or in favor of any party other than the Company or a Subsidiary, or shall be subject to any lien, obligation, or liability of such Participant to any other party other than the Company or a Subsidiary. Except as otherwise provided by the Committee, no Award shall be assigned, transferred, or otherwise disposed of by a Participant other than by will or the laws of descent and distribution. The Committee by express provision in the Award or an amendment thereto may permit an Award (other than an Incentive Share Option) to be transferred to, exercised by and paid to certain persons or entities related to the Participant, including but not limited to members of the Participant's family, charitable institutions, or trusts or other entities whose beneficiaries or beneficial owners are members of the Participant's family and/or charitable institutions, or to such other persons or entities as may be expressly approved by the Committee, pursuant to such conditions and procedures as the Committee may establish. Any permitted transfer shall be subject to the following conditions: that (a) the Committee receive evidence satisfactory to it that the transfer is being made for asset protection, estate and/or tax planning purposes (or to a "blind trust" in connection with the Participant's termination of employment or service with the Company or a Subsidiary to assume a position with a governmental, charitable, educational or similar non-profit institution) and on a basis consistent with the Company's lawful issue of securities, and (b) after the transfer, the Participant and the transferee comply with all of the original agreements and covenants granted by the Participant in favor of the Company.

7.3 Beneficiaries. If the Committee so determines, then notwithstanding Sections 5.2(a) and 7.2, a Participant may, in the manner determined by the Committee, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Award Agreement applicable to the Participant, except to the extent the Plan and Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Committee. If the Participant is married and resides in a community property state, a designation of a person other than the Participant's spouse as his or her beneficiary with respect to more than 50% of the Participant's interest in the Award shall not be effective without the prior written consent of the Participant's spouse. If no beneficiary has been designated or survives the Participant, payment shall be made to the person entitled thereto pursuant to the Participant's will or the laws of descent and distribution. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant at any time provided the change or revocation is filed with the Committee.

7.4 Share Certificates. Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates evidencing the Share pursuant to the exercise of any Award, unless and until the Committee has determined, with advice of counsel, that the issuance and delivery of such certificates is in compliance with all Applicable Laws, including, if applicable, the requirements of any exchange on which the Shares or securities representing the Shares are listed, quoted or traded. All Share certificates delivered pursuant to the Plan are subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply with all Applicable Laws, including, if applicable, the rules of any national securities exchange or automated quotation system on which the Shares or securities representing the Shares are listed, quoted, or traded. The Committee may place legends on any Share certificate to reference restrictions applicable to the Shares. In addition to the terms and conditions provided herein, the Committee may require that a Participant make such reasonable covenants, agreements, and representations as the Committee, in its discretion, deems advisable in order to comply with any such laws, regulations, or requirements. The Committee shall have the right to require any Participant to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Committee.

7.5 Paperless Administration. Subject to Applicable Laws, the Committee may make Awards, provide applicable disclosure and procedures for exercise of Awards by an internet website or interactive voice response system for the paperless administration of Awards.

7.6 Foreign Currency. A Participant may be required to provide evidence that any currency used to pay the exercise price of any Award were acquired and taken out of the jurisdiction in which the Participant resides in accordance with Applicable Laws, including foreign exchange control laws and regulations. In the event the exercise price for an Award is paid in Chinese Renminbi or other foreign currency, as permitted by the Committee, the amount payable will be determined by conversion from U.S. dollars at the official rate promulgated by the People's Bank of China for Chinese Renminbi, or for jurisdictions other than the Peoples Republic of China, the exchange rate as selected by the Committee on the date of exercise.

ARTICLE 8

CHANGES IN CAPITAL STRUCTURE

8.1 Adjustments. In the event of any share dividend, share split, combination or exchange of Shares, amalgamation, arrangement or consolidation, spin-off, recapitalization or other distribution (other than normal cash dividends) of Company assets to its shareholders, or any other change affecting the Shares or the price of a Share, the Committee shall make such proportionate adjustments, if any, as the Committee in its discretion may deem appropriate to reflect such change with respect to (a) the aggregate number and type of shares that may be issued under the Plan (including, but not limited to, adjustments of the limitations in Section 3.1); (b) the terms and conditions of any outstanding Awards (including, without limitation, any applicable performance targets or criteria with respect thereto); and (c) the grant or exercise price per share for any outstanding Awards under the Plan.

8.2 Acceleration upon a Change of Control. Except as may otherwise be provided in any Award Agreement or any other written agreement entered into by and between the Company and a Participant, if a Change of Control occurs and a Participant's Awards are not converted, assumed, or replaced by a successor, such Awards shall become fully exercisable and all forfeiture restrictions on such Awards shall lapse. Upon, or in anticipation of, a Change of Control, the Committee may in its sole discretion provide for (i) any and all Awards outstanding hereunder to terminate at a specific time in the future and shall give each Participant the right to exercise such Awards during a period of time as the Committee shall determine, (ii) either the purchase of any Award for an amount of cash equal to the amount that could have been attained upon the exercise of such Award or realization of the Participant's rights had such Award been currently exercisable or payable or fully vested (and, for the avoidance of doubt, if as of such date the Committee determines in good faith that no amount would have been attained upon the exercise of such Award or realization of the Participant's rights, then such Award may be terminated by the Company without payment), (iii) the replacement of such Award with other rights or property selected by the Committee in its sole discretion or the assumption of or substitution of such Award by the successor or surviving corporation, or a subsidiary thereof, with appropriate adjustments as to the number and kind of Shares and prices, or (iv) payment of Awards in cash based on the value of Shares on the date of the Change of Control plus reasonable interest on the Award through the date such Award would otherwise be vested or have been paid in accordance with its original terms, if necessary to comply with Section 409A of the Code.

8.3 Outstanding Awards – Corporate Transactions. In the event of a Corporate Transaction, each Award will terminate upon the consummation of the Corporate Transaction, unless the Award is assumed by the successor entity or Parent thereof in connection with the Corporate Transaction. Except as provided otherwise in an individual Award Agreement, in the event of a Corporate Transaction and:

(a) the Award either is (x) assumed by the successor entity or Parent thereof or replaced with a comparable Award (as determined by the Committee) with respect to shares of the capital stock of the successor entity or Parent thereof or (y) replaced with a cash incentive program of the successor entity which preserves the compensation element of such Award existing at the time of the Corporate Transaction and provides for subsequent payout in accordance with the same vesting schedule applicable to such Award, then such Award (if assumed), the replacement Award (if replaced), or the cash incentive program automatically shall become fully vested, exercisable and payable and be released from any restrictions on transfer (other than transfer restrictions applicable to Options) and repurchase or forfeiture rights, immediately upon termination of the Participant's employment or service with all Service Recipient within twelve (12) months of the Corporate Transaction without cause; and

(b) For each Award that is neither assumed nor replaced, such portion of the Award shall automatically become fully vested and exercisable and be released from any repurchase or forfeiture rights (other than repurchase rights exercisable at Fair Market Value) for all of the Shares at the time represented by such portion of the Award, immediately prior to the specified effective date of such Corporate Transaction, *provided* that the Participant remains an Employee, Consultant or Director on the effective date of the Corporate Transaction.

8.4 Outstanding Awards – Other Changes. In the event of any other change in the capitalization of the Company or corporate change other than those specifically referred to in this Article 8, the Committee may, in its absolute discretion, make such adjustments in the number and class of shares subject to Awards outstanding on the date on which such change occurs and in the per share grant or exercise price of each Award as the Committee may consider appropriate to prevent dilution or enlargement of rights.

8.5 No Other Rights. Except as expressly provided in the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of Shares of any class, the payment of any dividend, any increase or decrease in the number of shares of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the Plan or pursuant to action of the Committee under the Plan, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of shares subject to an Award or the grant or exercise price of any Award.

ARTICLE 9

ADMINISTRATION

9.1 Committee. The Plan shall be administered by the Board or the Compensation Committee of the Board; *provided*, *however* that the Board or the Compensation Committee may delegate to a committee of one or more members of the Board the authority to grant or amend Awards to Participants other than senior executives of the Company. The Committee shall consist of at least two individuals, each of whom qualifies as an Independent Director. Reference to the Committee shall refer to the Board if the Compensation Committee has not been established or ceases to exist and the Board does not appoint a successor Committee. Notwithstanding the foregoing, the full Board, acting by majority of its members in office, shall conduct the general administration of the Plan if required by Applicable Laws, and with respect to Awards granted to Independent Directors and for purposes of such Awards the term "Committee" as used in the Plan shall be deemed to refer to the Board.

9.2 Action by the Committee. A majority of the Committee shall constitute a quorum. The acts of a majority of the members present at any meeting at which a quorum is present, and acts approved in writing by a majority of the Committee in lieu of a meeting, shall be deemed the acts of the Committee. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Subsidiary, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

9.3 Authority of the Committee. Subject to any specific designation in the Plan, the Committee has the exclusive power, authority and discretion to:

(a) Designate Participants to receive Awards;

(b) Determine the type or types of Awards to be granted to each Participant;

(c) Determine the number of Awards to be granted and the number of Shares to which an Award will relate;

(d) Determine the terms and conditions of any Award granted pursuant to the Plan, including, but not limited to, the exercise price, grant price, or purchase price, any restrictions or limitations on the Award, any schedule for lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, any provisions related to non-competition and recapture of gain on an Award, based in each case on such considerations as the Committee in its sole discretion determines;

(e) Determine whether, to what extent, and pursuant to what circumstances an Award may be settled in, or the exercise price of an Award may be paid in, cash, Shares, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;

(f) Prescribe the form of each Award Agreement, which need not be identical for each Participant;

(g) Decide all other matters that must be determined in connection with an Award;

(h) Establish, adopt, or revise any rules and regulations as it may deem necessary or advisable to administer the Plan;

(i) Interpret the terms of, and any matter arising pursuant to, the Plan or any Award Agreement; and

(j) Make all other decisions and determinations that may be required pursuant to the Plan or as the Committee deems necessary or advisable to administer the Plan.

9.4 Decisions Binding. The Committee's interpretation of the Plan, any Awards granted pursuant to the Plan, any Award Agreement and all decisions and determinations by the Committee with respect to the Plan are final, binding, and conclusive on all parties.

ARTICLE 10

EFFECTIVE AND EXPIRATION DATE

10.1 Effective Date. The Plan is effective as of the date the Plan is approved by the Company's shareholders in accordance with the applicable provisions of the Company's Memorandum of Association and Articles of Association (the "Effective Date").

10.2 Expiration Date. The Plan will expire on, and no Award may be granted pursuant to the Plan after, the tenth anniversary of the Effective Date. Any Awards that are outstanding on the tenth anniversary of the Effective Date shall remain in force according to the terms of the Plan and the applicable Award Agreement.

ARTICLE 11

AMENDMENT, MODIFICATION, AND TERMINATION

11.1 Amendment, Modification, And Termination. With the approval of the Board, at any time and from time to time, the Committee may terminate, amend or modify the Plan; *provided*, *however*, that (a) to the extent necessary and desirable to comply with Applicable Laws, the Company shall obtain shareholder approval of any Plan amendment in such a manner and to such a degree as required, unless the Company decides to follow home country practice as permitted under applicable stock exchange rules, and (b) unless the Company decides to follow home country practice as permitted under applicable stock exchange rules, shareholder approval is required for any amendment to the Plan that (i) increases the number of Shares available under the Plan (other than any adjustment as provided by Article 8), (ii) permits the Committee to extend the term of the Plan or the exercise period for an Option beyond ten years from the date of grant, or (iii) results in a material increase in benefits or a change in eligibility requirements.

11.2 Awards Previously Granted. Except with respect to amendments made pursuant to Section 11.1, no termination, amendment, or modification of the Plan shall adversely affect in any material way any Award previously granted pursuant to the Plan without the prior written consent of the Participant.

ARTICLE 12

GENERAL PROVISIONS

12.1 No Rights to Awards. No Participant, employee, or other person shall have any claim to be granted any Award pursuant to the Plan, and neither the Company nor the Committee is obligated to treat Participants, employees, and other persons uniformly.

12.2 No Shareholders Rights. No Award gives the Participant any of the rights of a Shareholder of the Company unless and until Shares are in fact issued to such person in connection with such Award.

12.3 Taxes. No Shares shall be delivered under the Plan to any Participant until such Participant has made arrangements acceptable to the Committee for the satisfaction of any income and employment tax withholding obligations under Applicable Laws. The Company or any Subsidiary shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy all applicable taxes (including the Participant's payroll tax obligations) required or permitted by law to be withheld with respect to any taxable event concerning a Participant arising as a result of this Plan. The Committee may in its discretion and in satisfaction of the foregoing requirement allow a Participant to elect to have the Company withhold Shares otherwise issuable under an Award (or allow the return of Shares) having a Fair Market Value equal to the sums required to be withheld. Notwithstanding any other provision of the Plan, the number of Shares which may be withheld with respect to the issuance, vesting, exercise or payment of any Award (or which may be repurchased from the Participant of such Award after such Shares were acquired by the Participant from the Company) in order to satisfy the Participant's income and payroll tax liabilities with respect to the issuance, vesting, exercise or payment of the Award shall, unless specifically approved by the Committee, be limited to the number of Shares which have a Fair Market Value on the date of withholding or repurchase equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for income tax and payroll tax purposes that are applicable to such supplemental taxable income.

12.4 No Right to Employment or Services. Nothing in the Plan or any Award Agreement shall interfere with or limit in any way the right of the Service Recipient to terminate any Participant's employment or services at any time, nor confer upon any Participant any right to continue in the employment or service of any Service Recipient.

12.5 Unfunded Status of Awards. The Plan is intended to be an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give the Participant any rights that are greater than those of a general creditor of the Company or any Subsidiary.

12.6 Indemnification. To the extent allowable pursuant to Applicable Laws, each member of the Committee or of the Board shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in such action, suit, or proceeding against him or her; *provided* that he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled pursuant to the Company's Memorandum of Association and Articles of Association, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

12.7 Relationship to other Benefits. No payment pursuant to the Plan shall be taken into account in determining any benefits pursuant to any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Subsidiary except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder.

12.8 Expenses. The expenses of administering the Plan shall be borne by the Company and its Subsidiaries.

12.9 Titles and Headings. The titles and headings of the Sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

12.10 Fractional Shares. No fractional shares of a Share shall be issued and the Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional shares or whether such fractional shares shall be eliminated by rounding up or down as appropriate.

12.11 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan, the Plan, and any Award granted or awarded to any Participant who is then subject to Section 16 of the Exchange Act, shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Laws, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

12.12 Government and Other Regulations. The obligation of the Company to make payment of awards in Shares or otherwise shall be subject to all Applicable Laws and to such approvals by government agencies as may be required. The Company shall be under no obligation to register any of the Shares paid pursuant to the Plan under the Securities Act or any other similar law in any applicable jurisdiction. If the Shares paid pursuant to the Plan may in certain circumstances be exempt from registration pursuant to the Securities Act or other Applicable Laws, the Company may restrict the transfer of such shares in such manner as it deems advisable to ensure the availability of any such exemption.

12.13 Governing Law; Dispute Resolution. The Plan and all Award Agreements shall be construed in accordance with and governed by the laws of the Cayman Islands. Any dispute, controversy or claim arising out of or relating to the Plan and all Award Agreements, or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force and as may be amended by the rest of this Section 12.13. The appointing authority shall be Hong Kong International Arbitration Centre. The place of arbitration shall be in Hong Kong at Hong Kong International Arbitration Centre. There shall be only one arbitrator. The language to be used in the arbitral proceedings shall be English.

12.14 Section 409A of the Code. To the extent that the Committee determines that any Award granted under the Plan is or may become subject to Section 409A of the Code, the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A of the Code. To the extent applicable, the Plan and the Award Agreements shall be interpreted in accordance with Section 409A of the Code and the U.S. Department of Treasury regulations and other interpretative guidance issued thereunder, including without limitation any such regulation or other guidance that may be issued after the Effective Date. Notwithstanding any provision of the Plan to the contrary, in the event that following the Effective Date the Committee determines that any Award may be subject to Section 409A of the Code and related Department of Treasury guidance (including such Department of Treasury guidance as may be issued after the Effective Date), the Committee may adopt such amendments to the Plan and the applicable Award agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to (a) exempt the Award from Section 409A of the Code and /or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) comply with the requirements of Section 409A of the Code and related U.S. Department of Treasury guidance.

12.15 Appendices. The Committee may approve such supplements, amendments or appendices to the Plan as it may consider necessary or appropriate for purposes of compliance with Applicable Laws or otherwise and such supplements, amendments or appendices shall be considered a part of the Plan; *provided*, *however*, that no such supplements shall increase the share limitations contained in Section 3.1 of the Plan.

Exhibit 10.13

Service Agreement of Beijing aBitCool Network Technology Co., Ltd.

This agreement includes purchase order and standard terms.

Purchase Order

User (Party A)
Name:
Tel:
Fax:
Address:
Zip Code:

Service Provider (Party B)
Beijing aBitCool Network Technology Co., Ltd.
Tel: (86 10) 8456 2121
Fax: (86 10) 8456 4234
Address: No.10 Jiuxianqiao Road, Chaoyang District, Beijing
Zip Code: 100016

Service Address: Jing Dong Fang Technology Park, No.10 Jiuxianqiao Road, Chaoyang District, Beijing

Service address: Jing Dong Fang Technology Park, No.10 Jiuxianqiao Road, Chaoyang District, Beijing Service content: please choose from the following			Charging start date	lump sum	service fee
Hosting Service	cabinet lease	(1) cabinet space: _____U (2) cabinet: _____R (3) machine room: _____ square meters (with _____ cabinets)	(1) the 2nd day of the day when the first equipment of the user is installed to the data center of the service provider (2) _____	RMB_____	RMB_____ /month
	BGP bandwidth lease	(1) shared bandwidth: _____M _____ports (2) exclusive bandwidth: _____M (3) IP address: _____ 8 _____		N/A	RMB_____ /month

value added service	firewall management	(1) type: _____ (2) IP address: _____	starting time under the Firewall Management Service Starting Notice issued by the service provider	RMB_____	RMB_____ /month
	security service	(1) service content: ____ (2) number of equipment: ____ (3) execution time: (i) installed with the system (ii) at a designated time	_____	RMB_____	RMB_____ /month
	machine room service	(1) operation system installation (2) operation system configuration optimization (3) system maintenance (4) application system installation and configuration (5) equipment inspection (6) cassette replacement (7) others _____	_____	(i) RMB_____/time (ii) RMB_____/month (iii) others _____	
others	please refer to the supplemental agreement to the service agreement of Beijing 21Vianet Broadband Data Center			RMB_____	RMB_____/month
total service fee				RMB_____	RMB_____/month

Service period

The first service period is _____ years (the first full year is from the charging start date to the date before the same date of the charging start date in the following year, the second full year is from the following day of the expiration date of the first full year to the date before the same date in the following year, and so on). At the expiration of each service period, unless this Agreement has expired or been terminated or either party to this Agreement has terminated all the services hereunder by giving written notice to the other party 15 days in advance, the service period shall extend for one year automatically and the times of extension is unlimited.

Payment Method

(1) Payment of all the service fees in the first service period in a lump sum: _____ working days after execution of this Agreement, Party A shall pay RMB_____ for all the service fees in the first service period in a lump sum, including RMB _____ for lump sum fee and RMB_____ for service fee. After termination of the services or expiration or termination of this Agreement, the lump sum fee shall not refunded.

(2) Payment of service fees in installments:

- Make payment (i) annually (ii) semi-annually (iii) quarterly (iv) monthly (choose one). _____ working days after execution of this agreement and before the service provider starts providing service, the user shall pay all the lump sum fees. After termination of the services or expiration or termination of this Agreement, the lump sum fee shall not be refunded.
- If the user chooses to make payment monthly, the firs payment period starts from the calendar month of the charging start date, the service fees shall be paid on the date when service starts (but when several services start on different dates, the service fees shall be paid on the earliest date when the first service starts). Service fees for the second payment period shall be paid within 10 days after each charging start date. For a calendar month which only part of the dates are within the service period, the service fees for the current month shall be calculated at [(actual service days of the current month/total days of the month)*monthly service fee]. The days shall be calculated as calendar days.
- If the user chooses to make payment quarterly, semi-annually or annually, the service fees for the first payment period (the first month of the first payment period is the calendar month of the charging start date). Service fees for the second payment period shall be paid within 10 days after each charging start date. For each payment period, service fees for each full calendar month (which means all the days of the calendar month is within the service period) shall be calculated at the monthly service fees. Service fees for a calendar month which only part of the dates are within the service period shall be calculated at [(actual service days of the current month/total days of the month)*monthly service fee]. The days shall be calculated as calendar days.
- Overdue fines: If the user fails to make payment on the due date, the service provider is entitled to impose penalties at a rate of 0.5% of the service fees. If the user fails to make payment 10 working days after the due date, the service provider is entitled to terminate service and this Agreement and request that the user compensate all the losses stipulated hereunder. The penalties not paid at the time of expiration or termination of this Agreement shall continue to be paid by the user afterwards.
- Termination of this Agreement or part of the services under this Agreement: If either party unilaterally request that this Agreement or part of this Agreement be terminated without any reasons stipulated under the law or mutually agreed, the service provider shall continue to provide services while the user shall make full payment of the service fees.

(3) Other payment methods: _____

(4) Party B's account information: Opening bank: Beijing Bank, Jiuxianqiao sub-branch; account number:

Party A: _____ Party B: Beijing aBitCool Network Technology Co., Ltd.

Standard Terms

1. Service provider

The service provider under this Agreement is Beijing aBitCool Network Technology Co., Ltd., which provides services to users as stipulated under the purchase order.

2. Definition of service and service commitment

2.1 BGP hosting service. Connect with major operators including telecom, Unicom, mobile and education network through BGP4 routing agreement. Optimize quality through routing choice and transmit to hosting users who can connect with major operators including telecom, Unicom, mobile and education network more quickly.

2.2 User equipment. User equipment means hardware equipment and its accessories deposited at the service provider by the user for the purpose of this Agreement, including but not limited to server, switch board, hub, private cable and connecting line, not including operating system, application, user data and related system configuration data.

2.3 Service provider equipment. Service provider equipment means hardware equipment and its accessories provided by the service provider to connect with the equipment of the user, such as server, switch board, hub, private cable and connecting line, not including operating system, application, user data and related system configuration data. The boundary point of the service provider equipment means the inner side of the cabinet in terms of space, the power plug above the cabinet in terms of power, the upper connecting line of the user internet in terms of network. (hereinafter referred to as "Boundary Point").

2.4 Rack space. Rack space means the installation space of the user equipment provided by the service provider. The user equipment is affixed to the rack by direct installation, or through the supporting board provided by the service provider. The service provider guarantees that the power connectivity reaches 99.9%. The service provider shall also provide a carrier-grad operation environment for the user equipment, including air-conditioning, dust removal, fire prevention and security surveillance.

2.5 Cabinet. Cabinet means the standard telecommunication equipment cabinet in the IDC server room provided by the service provider. Each cabinet is equipped with 6.8A standard power, with UPS power supply not higher than 9A. The service provider guarantees that the power connectivity reaches 99.9%. The service provider shall also provide a carrier-grad operation environment for the user equipment, including air-conditioning, dust removal, fire prevention and security surveillance.

2.6 User VIP server room. User server room means the private sealed space within the IDC server room of the service provider, with separate entry and space to be determined through negotiation of the service provider and the user, the layout planning of the user server room shall be subject to consent of the service provider. The user server room does not include cabinet but can be provided by the service provider according to the user requirement and the then availability of the cabinets. The service provider shall also provide a carrier-grad operation environment for the user equipment, including air-conditioning, dust removal, fire prevention and security surveillance.

2.7 Shared bandwidth. Shared bandwidth means that the user equipment connects to the core network through a shared port by using a 10/100M LAN port distributed by the service provider, then connects to the internet through the network of the service provider. The service provider guarantees that the network connectivity reaches 99.9%.

2.8 Exclusive bandwidth. Exclusive bandwidth means that the user equipment connects to the core network of the service provider through a port with a designated speed by using a network port distributed by the service provider, then connects to the internet through the network of the service provider. According to the different speed and equipment used for connection, the service provider provides 10/100/1000M LAN port. In order to ensure the network stability, the service provider provides dual line service. The service provider guarantees that the network connectivity reaches 99.9%.

2.9 IP address. IP address means general IPv4 address registered at the internet management organization. The service provider provides available host machine address and gateway address for shared hosting service and provides separate IP segment, including host machine address and gateway address for exclusive hosting service. The number of IP address includes host machine address and gateway address.

2.10 Firewall management. The service provider provides service to the user with hardware firewall; such service has basic functions of firewall such as multiple filter, access control and security log. Based on the accurate Firewall Management Service Application submitted by the user and with the cooperation of the user, the service provider shall complete configuration (including installation and test run of firewall equipment and security policy configuration) within 5 working days and issue Firewall Management Service Activation Notice to the user. If the user has any dissent with the configuration, examination requirement shall be made to the service provider within 3 days after receiving the aforementioned notice based on the Firewall Management Service Application, “Firewall Management Information Base” of the service provider and relevant “Firewall Policy Documents”. If the user fails to raise written objection within 3 working days after receiving the aforementioned notice, the configuration is deemed to have been completed and qualified. The service provider shall issue a monthly Firewall Management Service Report, which includes firewall operation conditions, maintenance and upgrade notification. If the user has any dissent with such service, written application to inquire about various statistics within the report period shall be submitted to the service provider within one week after receiving the Firewall Management Service Report, the service provider shall make investigation within 3 days after receiving the written application based on the Firewall Management Service Application, “Firewall Management Information Base” of the service provider and relevant “Firewall Policy Documents”. If the user fails to raise objections against the report within such period, the service deemed to be qualified within the report period. The service provider and the user acknowledge that network security cannot be fully guaranteed no matter how strictly-prevented the firewall is, nor can the service provider guarantee that the firewall service will never be ineffective. The service provider will maintain the effectiveness of the firewall with its best efforts.

2.11 Server security evaluation. Server security evaluation service means that the network security professionals of the service provider conduct one-time security detection on the server system designated by the user with network detection tools and professional knowledge and record, categorize and analyze the results. Security defects and bugs of the server, which mean system defects and bugs, published by international security organization, facilitating network hacking that can lead to material security accidents, as well as inappropriate system configuration will be summarized and categorized in the service report. The reasons to security defects and bugs will also be analyzed and specific and operable repairment and strengthening method will also be provided. Server security evaluation provides evaluation and optimization recommendations to the server software and hardware environment and configuration according to the security technology and knowledge at the time of detection. If the user has any dissent with such service, written application to inquire about various statistics within the report period shall be submitted to the service provider within one week after receiving the report and the service provider shall make investigation within 3 days after receiving the written application based on the “Security Detection Policy Base” of the service provider. If the user fails to raise objections against the report within such period, the service deemed to be qualified within the report period. The optimization recommendation of the service provider does not guarantee the ultimate server security of the user in the ever-changing network security environment.

2.12 Server security optimization. Server security optimization means that the network security professionals of the service provider conduct security detection on the server system designated by the user with network detection tools and professional knowledge and make amendments to the detected security defects, bugs and inappropriate system configuration. Security defects and bugs of the network and application system mean system defects and bugs, published by international security organization, facilitating network hacking that can lead to material security accidents. The service provider shall summarize and categorize the security defects, bugs and inappropriate system configuration of the server being detected, make analysis of the reasons to security defects and bugs. The service provider shall provide specific clarification of the amendment measures, such as system and application patch and system configuration change. If the user has any dissent with such service, written application to inquire about various statistics within the report period shall be submitted to the service provider within one week after receiving the report and the service provider shall make investigation within 3 days after receiving the written application based on the “Security Detection Policy Base” of the service provider. If the user fails to raise objections against the report within such period, the service deemed to be qualified within the report period. The server optimization provides protection as secure as possible for the server of the user; however ,such service does not guarantee the ultimate server security of the user in the ever-changing network security environment.

3. Delivery and acceptance of the equipment

3.1 If the user provides its own equipment, after the user equipment reaches the place designated by the service provider, a designated person from the user shall be there to sign and accept the equipment. If no designated person or agent of the user is present at the designated place, the service provider does not provide assistance in signing and accepting the equipment unless notified in writing and granted with special authorization in advance by the user.

3.2 If the service provider provides equipment for the user to use, after examination and confirmation by both parties, the equipment provided by the service provider shall be deemed to be in compliance with this Agreement. If examination is not conducted on the equipment due to the user's reason, the user shall be responsible for losses incurred by abnormal performance of this Agreement and any related losses, the service provider shall not be responsible for any losses and responsible incurred therefrom.

3.3 During the performance of this Agreement or upon termination of this Agreement, if the user removes its equipments from the server room provided by the service provider, both parties shall be present at the place where the equipments are located to sign the removal sheet and confirm delivery of the equipments.

3.4 The safekeeping obligation provided by the service provider starts from the date when the hosting service starts to bill and ends on the billing expiration date. If the user equipments are lost or damaged during the hosting billing period, Article 6.2 shall apply.

4. Technical service and support

4.1 Under the premise of fully complying with all the terms and conditions hereunder, the user is entitled to server room service available 7*24 hours and can enter into the server room within 7*24 hours to operate on its own equipments.

4.2 Under the premise of fully complying with all the terms and conditions hereunder, the user is entitled to technical consulting service available 7*24 hours.

4.3 Under the premise of fully complying with all the terms and conditions hereunder, the user is entitled to necessary operation services of the service provider authorized by the user. Unless other stipulated, such authorized operation is only limited to reboot service.

4.4 The user shall comply with the management rules of the service provider when entering the service provider's server room, except for the user equipment, the user is not allowed to contact or operate on the equipments of the service provider or other users, or take pictures and make videos of the service provider's server room, the equipments of the service or other users without written consent of the owner.

4.5 The above technical services and support shall be subject to the Boundary Point of the service provider's equipment, unless granted with special authorization by the user or otherwise agreed upon by both parties, the service provider shall not operate on the equipments of the user.

5. Rights and obligations of the user

5.1 Obtain stipulated services and relevant service report, make complaints about the service defects, the rights and obligations of the service provider and the user shall be divided by the Boundary Point of the equipments.

5.2 Provide necessary information and assistance to the service provide for delivery of service (including but not limited to providing effective contract person and contact information to facilitate timely notice in times of emergency). If failure to provide or timely provide services, defects in service quality of the service provider or other adverse consequences are due to the reason that the user fails to make full or reasonable use of the service provided by the service provider or fails to provide necessary conditions for the service, the service provider shall not assume any responsibility.

5.3 Make full and reasonable use of the services provided by the service provider (including but not limited to the dual connecting service provided) and provide necessary conditions for the services in time. If failure to provide or timely provide services, defects in service quality of the service provider or other adverse consequences are due to the reason that the user fails to make full or reasonable use of the service provided by the service provider or fails to provide necessary conditions for the service, the service provider shall not assume any responsibility.

5.4 Make legitimate use of the resources and services provided by the service provider, including but not limited to complying with relevant laws, regulations, administrative regulations and other regulations of China and places where service is used, not violating intellectual property rights and trade secrets of others, not violating legitimate rights and interests of others, not violating social public ethics. If businesses operated by the user by making use of the services provided by the service provider require approval, filing, registration or other procedures, the user shall complete the procedures and obtain qualifications before using the services provided by the service provider and provide written proof. If the user breaches the aforementioned stipulations, the service provider is entitled to suspend or terminate all or part of the services and take corresponding actions and measures toward the user and the user equipments according to the requirements of the government authority, court, arbitration body or relevant administrative authorities or legal requirements (including but not limited to assisting in sealing and seizing equipments, terminating this Agreement, etc.), the user shall be responsible for the losses and adverse consequences incurred by the user, service provider and third parties.

5.5 If any third party claims to the service provider that the equipments of the user hosted by the service provider, such as server, contain infringement contents, the service provider shall notify the claim to the user, who shall perform various responsibilities of the internet service provider/internet information provider after receiving the notification and contact the complainant. If the user breaches the aforementioned stipulation, the service provider is entitled to: A. inform the complainant of the identity, address and contact information; B. suspend or terminate part or all of the services as necessary; C. take corresponding actions and measures toward the user and the user equipments according to the requirements of the government authority, court, arbitration body or relevant administrative authorities or legal requirements (including but not limited to assisting in sealing and seizing equipments, terminating this Agreement, etc.), the user shall be responsible for the losses and adverse consequences incurred by the user, service provider and third parties. The user shall safe keep and make reasonable use of the equipments provided by the service provider for the services. If the equipments of the service provider are damaged or lost due to the user’s intention or gross negligence, the user shall make compensation, the amount of which shall not exceed the price paid by the service provider to replace the lost or damaged equipments. Unless otherwise stipulated, the provision of equipments by the service provider shall not be deemed transfer of ownership.

5.6 The user shall strictly manage the IP address distributed by the service provider to make sure of the reasonable and legitimate use of the IP address.

5.6.1 The IP address distributed by the service provider shall not be used to send or the distribute the following emails:

- Email advertisements, publications or other materials not approved by the recipients
- Emails without sender information such as clear unsubscription method, sender and reply address
- Email in violation of other ISP security policy or service terms

5.6.2 As a target IP address, the user or any third party other than the user shall not make distribution with the abovementioned methods.

5.6.3 The user shall make configuration of the server and internet strictly according to the stipulations of the service provider, if the configuration exceeds the IP address range distributed to the service provider, the service provider is entitled to cut off the internet, all the losses incurred by other customers and other responsibilities shall be borne by the service provider.

5.7 Within the term of the Agreement, the user shall make full and timely payment of the service fees and other payables (if the power used by the user exceeds the maximum power stipulated under Article 2.5, the user shall pay relevant fees according to the over-standard rate stipulated by the service provider), otherwise the user shall be responsible for late fee penalty. If the user fails to make full payment 10 working days after expiration of the stipulated payment period, the service provider is entitled to terminate this Agreement and dispose the user equipments according to the Property Rights Law of the People’s Republic of China (including but not limited to auction, sale, remove etc. with regard to the data and information stored in the user equipments whose disposal right is obtained by the service provider according to this Agreement, the user entrusts the service provider to delete the data and information.) and the user shall assume liability for breach of contract and be responsible for all the losses and adverse consequences incurred by the user, service provider and third party, including but not limited to late fee penalty, rack occupation fee, etc.

5.8 Upon expiration of the service period or termination of this Agreement, the user shall pay off the payables in one time, if the user fails to pay off the payables, the service provider is entitled to lien right on the equipment of the user. If the user fails to pay off the payables within 30 calendar days after lien, the service provider and the user agree to offset the equipments under lien with the payables through negotiation, if the service provider and the user fail to reach an agreement, the service provider is entitled to sell the user equipments through auction or dispose of the user equipments, and shall enjoy priority rights to the proceeds from the sale of disposal. If the user pays off the payables upon expiration of the service period or termination of this Agreement, the user shall retrieve the its equipments immediately; if the user fails to do so, the service provider shall charge occupation fee according to the hosting service fee and is entitled to dispose of the user equipment. The user shall be responsible for all the losses and adverse consequences incurred by the user, service provider and third party.

6. Rights and obligations of the service provider

6.1 Provide services and issue service reports to the user as stipulated, provide formal response to the claims of the user.

6.2 Safe keep and make reasonable use of the user equipment, within the service period, if the user equipment is lost or damaged due to intention or gross negligence of the service provider, the service provider shall repair, replace or compensate, the fees shall not exceed the fair market price paid by the user to purchase the lost or damaged user equipment (“Maximum Amount”), fees exceeding the Maximum Amount shall be borne by the user itself. Upon expiration of the service period or termination of this Agreement, or if events leading to suspension or termination of services occur, the service provider is entitled to termination of power or internet service and shall not be responsible for the losses or adverse consequences incurred.

6.3 If the user is found to be in violation of relevant laws, regulations, administration regulations or other regulations when using the services hereunder, the service provider is entitled to require that the user make rectification, if the user refuses to do so, the service provider is entitled to suspend relevant services after giving written notice, terminate part of all of the agreement and claim the liability for breach of contract against the user. Within the service period, if the competent authority imposes injunction or similar notice or requirement involving the service or equipment of the user, the service provider shall carry out such order and notify Party A in writing as soon as possible subject to the approval of the competent authority. The service provider shall not be responsible for any liability for breach of contract under this circumstance.

6.4 If the service provider finds out that the distributed IP address is used in ways prohibited under this Agreement or illegal ways, warnings will be sent to the user, if the user fails to take effective measures, the service provider is entitled to take effective measures in prevention. After termination of the service or this Agreement, the service provider is entitled to retrieve the IP address distributed to the user and put into other uses.

6.5 IP rights such as resource, technical support or service provided by the service provider to the user belong to the service provider, the user is not entitled to transfer or license such resource, technical support or service to others or give them away for free or provide to others for use, otherwise the user shall be responsible for relevant responsibilities. Without approval of the service provider, the user is not allowed to transfer its rights and interests under this Agreement to any third party.

6.6 If the user intends to install software on the server, the user shall obtain the software version, license or user right by itself, the legal responsibilities incurred therefrom shall be borne by the user independently, the service provider shall not assume any legal responsibilities. The rights and obligations between the service provider and the user shall be divided by the Boundary Point.

7. Internet safety and conduct of necessity

7.1 The service provider and the user shall comply with various national management rules of internet safety and other aspects.

7.2 For the protection of one party’s own internet safety, when one party has reasonable belief that its internet is facing/will face security threat from the other party or other internet, it shall notify the other party in time and is entitled to cut off the connection between its own internet and others (cutting off internet connection should better be carried out after notifying the other party).

8. Compensation and liquidated damages for early termination

8.1 With regard to the hosting services, within each service month, if the power connectivity or single network connectivity fails to reach 99.99% undertaken by the service provider, the service period shall be extended for one month for free after expiration of the service period.

8.2 With regard to firewall management service, if the service provided is not in compliance with this Agreement and causes severe damages to the user, the service period shall be extended for one month for free as compensation to the user.

8.3 With regard to server security service, if the service provided is not in compliance with this Agreement and causes severe damages to the user, the service provider shall provide such service on relevant server once for free as compensation.

8.4 The maximum compensation amount incurred under this Agreement shall not exceed the monthly service fee of the month when compensation matters arise.

8.5 Compensation matters are limited to corresponding services; the user shall not seek compensation for other services based on the same compensation matter on the grounds of “related” or “influential”.

8.6 If compensation is in the form of extension of service, the extension shall start from the date when the service period expires. Within the term of this Agreement, the user shall not refuse to perform its own obligations on the grounds of compensation.

8.7 The user shall request compensation in writing within 10 working days after the compensation matters arise, failure to do so within the period shall be deemed as waiving the right to require compensation.

8.8 Various compensation responsibilities stipulated hereunder are the maximum compensation amount of the service provider; the user hereby consents and acknowledges that it shall not claim any right against the service provider for any compensation liability not specifically stipulated to be assumed by the service provider. The service provider does not make any commitment or assume any responsibility for the possible commercial interests brought by the service hereunder.

8.9 If either party requests to terminate this Agreement before expiration of the service period without statutory or stipulated reasons, it should notify the other party one month in advance in writing.

9. Exemption

If failure to provide service, failure to provide service in time or defects in service quality or other adverse consequences are caused by any of the following, the service provider shall not assume any responsibility:

9.1 The user fails to make payment as stipulated;

9.2 The service suspension period does not include the period during which the users fails to make written notification to the service provider within 48 hours from the suspension;

9.3 The service provider has already notified the user of the maintenance of circuit, equipment or network;

9.4 Due to the user's reason;

9.5 Due to the security or management problems in the operation system, application program, user data and relevant system configuration statistics;

9.6 The service provider needs to make emergency treatment.

10. Confidentiality and intellectual property rights

10.1 Before execution of this Agreement and within the term of this Agreement, one party ("Disclosing Party") has or may have disclosed confidentiality information ("Confidentiality Information") about the Disclosing Party to the other party ("Recipient"). Within the term of this Agreement and five (5) years after termination of this Agreement, the Recipient must:

10.1.1 Keep confidential of the Confidential Information;

10.1.2 Use Confidential Information to the necessary extent for the performance of obligations hereunder'

10.1.3 Except Recipients or employees, lawyers, accountants or other consultants ("Re-recipients") necessary to know the Confidential Information for performance of the obligations hereunder, the Disclosing Party shall not disclose Confidential Information to any other person. Before the Recipient discloses Confidential Information to the Re-recipients, written confidentiality agreement shall be entered into with the Re-recipients, under which the Re-recipients shall assume all the obligations and responsibilities of the Recipients hereunder.

10.2 The Recipients shall not assume confidentiality obligations if sufficient and solid evidence can be shown to prove any of the following:

10.2.1 The information is disclosed by third party to the Recipients without violating the obligations to the Disclosing Party;

10.2.2 The information becomes publicly available information not due to the Recipient’s fault;

10.2.3 The information is independently developed by the Recipient without making use of the Confidential Information of the Disclosing Party;

10.2.4 The information is known to the Recipient before obtaining the Confidential Information.

10.3 If sufficient and solid evidence can be shown to prove that the following conditions are met when disclosing the Confidential Information, the Recipient shall not be deemed to have breached the confidentiality obligations hereunder:

10.3.1 Such disclosure is made strictly according to laws, regulations or requirements of competent courts or arbitration bodies;

10.3.2 Such disclosure is made to a necessary and reasonable extent;

10.3.3 The Disclosing Party is notified in writing in advance and necessary precautions have been taken in assisting the Disclosing Party to prevent further spread of the Confidential Information.

10.4 The user shall keep confidential of any third party information known during the performance of this Agreement, without written consent of the owner, the information shall not be disclosed to any third party, otherwise the user shall be responsible for the relevant legal responsibilities. The user shall also compensate all the losses incurred by the service provider and arising from claims of any third party.

10.5 The Disclosing Party is entitled to notify the Recipients to return or destruct the Confidential Information within the term of this Agreement or after expiration of the term of this Agreement, The Recipient shall immediately return or destruct all the original materials and their copies containing Confidential Information according to the choice and requirement of the Disclosing Party. The Disclosing Party can request that the Recipient provide destruction proof affixed with official seal of the Recipient.

10.6 The intellectual property rights of technical materials, statistics and methods and accomplishments of technical improvements obtained by the service provider during the technical service period shall belong to the service provider. Without prior written consent of the service provider, the user shall not provide to any third party. All the rights of the service provider before execution of this Agreement shall still belong to the service provider after execution of this Agreement.

10.7 The validity of this clause shall survive termination or expiration of this Agreement.

11. Fore majeure

Force majeure means earthquake, typhoon, war, strike, government action, fire not due to either party’s reason, power limit or power cut by telecommunication network or power generation entity, power facility malfunction of the power generation entity, hacker attack, computer virus without effective defensive measures and other matters unforeseeable, unpreventable and unavoidable. If either party fails to perform or fails to timely perform all or part of the obligations hereunder, the party incurring force majeure shall notify the other party of the force majeure events, both parties shall negotiate whether to terminate this Agreement, waive part or all the obligations hereunder according to the extent of influence.

12. Dispute resolution

If disputes arise during the performance of this Agreement, they should be solve through friendly negotiation, if negotiation fails, both parties agree to submit to Beijing Arbitration Commission and make arbitration according to the then effective arbitral rules.

13. Effectiveness and miscellaneous

13.1 Anything not contemplated herein shall be abided by the Contract Law of the People's Republic of China and other applicable laws and regulations.

13.2 This Agreement shall be executed in four counterparts, two of which shall be held by each party and shall enjoy the same legal validity.

13.3 Anything not contemplated herein shall be otherwise negotiated by both parties.

13.4 This Agreement shall not be interpreted in the following ways:

13.4.1 Formation of partnership or other joint-responsibility relationship between both parties;

13.4.2 Either party becomes an agent of the other party (unless the other party agrees in writing in advance);

13.4.3 Authorizing one party to incur fees or obligations in any other form for the other party (unless the other party agrees in writing in advance).

13.5 This Agreement shall be legally binding on the parties hereunder and their successors and transferees.

13.6 Each party shall keep confidential of the existence and contents of this Agreement and shall not make full or partial disclosure to any person or entity, unless otherwise stipulated by the laws and regulations.

13.7 Within the term of this Agreement and one (1) year after expiration of this Agreement, neither party shall make employment offer to the employees of the other party involving in the performance of the obligations hereunder, unless otherwise approved by the other party in writing.

13.8 Failure or delay to perform certain rights hereunder by one party shall not constitute waiver of such rights. Performance or partial performance of such rights shall not prohibit such party to perform such rights again in the future.

13.9 Without prior written consent of the other party, neither party shall transfer part or all of this Agreement.

13.10 Invalidity of a certain clause hereunder shall not affect the validity of other clauses hereunder.

Exhibit 10.14

Broadband Internet (Chinanet) Access Agreement

Place of Execution: Beijing

Date of Execution: May, 2010

Party A: Beijing 21Vianet Broad Band Data Center Co., Ltd. (hereinafter referred to as “Party A”)

Legal Representative:

Address:

Contact Person:

Party B: Shanghai Guotong Network Co., Ltd.

Legal Representative:

Address:

Contact Person:

To satisfy Party A’s growing needs of internet-based business and better facilitate its related work, Party A and Party B, on the principle of long-term friendly partnership, equality and mutual benefit, have agreed on the following provisions with regard to Party A’s access to the internet (Chinanet) through Party B:

1 Project Overview

1.1 Name of Project:

1.2 Place of Project: Beijing

1.3 Content of Project: optical fiber access to Chinanet

1.3.1 Access Bandwidth: Party B shall provide Party A with 1000M static broadband access to Chinanet.

1.3.2 IP Address: Party B shall, in the name of AS4847 and on behalf of Party A, broadcast the following IP address: 120.133.192.0/18, 120.134.128.0/18, 120.134.192.0/18 and 120.135.192.0/18.

2 Project Interface

Party B shall make investment in the conduit, optical fiber and equipment from Party B's computer room to Party A's computer room, while Party A shall invest in the rest of internet access equipment.

3 Rights and Obligations of the Parties

3.1 Rights and Obligations of Party A

3.1.1 Party A shall, pursuant to this Contract, enjoy internet (Chinanet) access service provided by Party B in compliance with national regulations.

3.1.2 Party A shall allocate a certain amount of space in its MDF computer room for the installation of Party B's telecommunication equipment and facilities, and for the conduit and routing required under this project, free of charge in the duration of this Contract, and shall ensure that the computer room, power supply, air-conditioning, temperature and smoke alarm meet the requirement for telecommunication installation work.

3.1.3 Party A shall provide internet access equipment that matches the ports on Party B's equipment, and make sure such internet access equipment satisfy the quality standard and technical specification provided by the national regulatory department. Party A holds the ownership of the equipment, and shall be responsible for its maintenance.

3.1.4 Party A shall take measures to ensure the safety of the equipment and facilities invested by Party B, facilitate Party B’s work on this project and make necessary coordination.

3.1.5 Party A shall follow applicable national laws, regulations and policies when using the internet (Chinanet) access service provided by Party B. Without the prior written consent of Party B, Party A shall not sublet the service to a third party. Party A shall bear all the consequences and responsibilities arising from any use of such service against national laws, regulations and policies.

3.1.6 Party A shall pay the service fee, as is stipulated in this Contract in terms of amount, payment date and payment method.

3.1.7 For the purpose of improving Party B’s telecommunication network structure, Party A agrees to, on the condition that it does not adversely affect the quality of Party A’s communication, let Party B adjust the optical fibers that feed Party A’s computer room.

3.2 Rights and Obligations of Party B

3.2.1 Party B shall make investment to the project as required by this Contract, take its ownership and carry out maintenance.

3.2.2 Party B shall be responsible for the construction of setting up the broadband internet (Chinanet) access between Party A’s computer room to Party B’s port, development of a project plan (including the selection of equipment), construction and equipment installation and commissioning.

3.2.3 Party B shall strictly follow the Telecommunications Regulations of the People’s Republic of China and Telecommunication Services Rules (trial version), and provide Party A with internet access service in accordance with this Contract.

3.2.4 Party B undertakes to provide such comprehensive services to Party A as a focal point for handling request, fault complaint, fee settlement, business inquiry, respectively, and integrated technical support.

3.2.5 Party B shall appoint a full-time client manager for Party A, who is responsible for the entire process of service, i.e. pre-sale, in-sale and after-sale, and follow the principle that those who handle the request take full responsibility. Party B shall also be available 24/7 via the service hotline 96388/1000, to handle any request, inquiry, and complaint from Party A.

3.2.6 Party B undertakes to follow any new laws, regulations and service code promulgated at the national level in the performance of this Contract.

3.2.7 Party B shall inform Party A in writing of any network shutdown for reasonable purposes 72 hours in advance.

4 Contract Amount and Payment Method

4.1 Lease Start Date: the lease starts on the day after the date of completion, confirmed by the signature of Party A, and the fee is also calculated from the lease start date.

4.2 Service fee includes a lump sum and monthly internet lease payment

The lump sum: 0

Monthly internet lease payment: RMB three hundred and twenty thousand (RMB 320,000)

4.3 Lease Payment for the First Month: the lease payment for the first month payable to Party B by party A shall be calculated as follows: monthly lease payment ÷number of days in that month x actual number of days when the service is used, among which actual number of days when the service is used refers to the number of days from the date when the service starts to the end of the month.

4.4 Payment Method: the lease payment for each following month shall be made at the end of each month. When the service starts, Party A shall pay for the lease for the next month to the account designated by Party B three working days before the end of each month and Party B shall issue a pre-payment invoice accordingly.

4.5 First Payment refers to the lease payment of the first month that is payable by Party A after the service starts. Party A shall make the payment to the account designated by Party B before the service starts, and party B shall issue a pre-payment invoice accordingly.

4.6 Payment Method: Party A agrees to pay the service fee specified in this Contract by bank transfer.

Account Name of Party B:

Name of the Account-Opening Bank of Party B:

Account Number of Party B:

4.7 Both Parties shall jointly determine the price of lease in the case of fee adjustment at the national level.

5 Exemption from Liability

5.1 Either party who fails to perform this Contract due to an event of force majeure will be released from its responsibility, in whole or part, pursuant to the effect of such force majeure, provided that the said party will not be released from its responsibility if such force majeure occurs following its delay of performance.

5.2 If either party fails to perform this Contract due to an event of force majeure, it shall notify the other party immediately to mitigate possible damages to the other party, and provide proof testifying the existence of force majeure and its effect to the performance of this Contract in due course. One or both of the parties shall continue to perform this Contract within a reasonable period after the effect of such force majeure has been eliminated.

5.3 If either party fails to perform this Contract due to (prohibitive) actions of the government during the performance of this Contract, it will be terminated after one party receives a written notice from the other party. Matters arising thereafter will be settled by both parties through negotiation.

6 Liability For Breach of Contract

6.1 If either party fails to perform its obligations under this Contract or to comply with the provisions of this Contract, the non-defaulting party shall be entitled to resort to any of the following remedies:

1. to require the defaulting party to continue the performance of its obligations under this Contract;
2. to require the defaulting party to make timely and reasonable remedies;
3. to require the defaulting party to compensate for the losses arising from its breach of this Contract.

6.2 If Party A fails to pay the above costs to Party B as per the amount, term and method set forth in Article 4, Party B shall be entitled to terminate this Contract, while Party A’s liability for breach of contract shall not be waived.

6.3 Regardless of any contrary stipulations hereunder, neither party shall be responsible to the other party for any gains or losses of earnings or profits, unrealized anticipatory savings, loss of commercial reputation and any other indirect or consequential losses due to acts under this Contract.

7 Dispute Resolution

With respect to any dispute arising from the performance of this Contract, the parties shall resolve it through consultation. If the parties fail to settle the dispute through negotiation, either party may submit it to Beijing Arbitration Commission for arbitration according to the applicable arbitration rules. The arbitral award shall be final and binding on both parties. The arbitration fees and litigation fees shall be borne by the losing party.

8 Miscellaneous

8.1 Anything not contemplated herein shall be resolved by both parties through negotiation, supplemental agreement shall be executed if necessary. The supplemental agreement shall enjoy the same legal validity as this Contract.

8.2 This Contract shall be effective upon execution as well as affixing with seal the legal representative or authorized representative of respective parties, and shall continue for a period of one year. Unless one party notifies the other party in writing one month prior to expiration that it does not intend to renew the Contract, this Contract will be automatically renewed for one year.

8.3 This Contract shall be executed in six counterparts, three of which shall be held by each party. The counterparts shall enjoy the same legal validity.

Party A: Beijing 21Vianet Broad Band Data Center Co., Ltd.

Representative: /s/ authorized signatory

Party B: Shanghai Guotong Network Co., Ltd.

Representative /s/ authorized signatory

Exhibit 10.15

Equipment and Cabinet Lease Agreement

Party A: 21Vianet (Xi'an) Information Outsourcing Industry Park Services Co., Ltd.

Party B: 21Vianet Xi'an Technology Limited

(Collectively, the "Parties")

Through friendly negotiations and based on the principles of mutual benefits, looking for a long-term cooperation relationship, the Parties hereby agree as follows with respect to the lease of server room equipment and other operational equipment by Party B to Party A:

ARTICLE 1 COOPERATION ON LEASE

Party B will provide Party A with server equipment and other related operational equipment in IDC server room, to facilitate Party A to provide IDC related services, and Party A will pay corresponding fees to Party B accordingly.

ARTICLE 2 LEASED SUBJECT

Party B will lease the following subjects to Party A:

(1) Cabinets. The cabinets referred to herein is standard cabinets.

(2) Servers. Lease of server means that Party A leases from Party B all servers owned by Party B. Such servers is located networking environment provided by Party B, and provide information services to Internet users. Party B is responsible for maintenance of basic configuration and hardware of such servers. Party A is responsible for software installation and upgrading on the servers, management of servers, and software trouble shooting.

(3) Cabinet frame space: The space of cabinet means the 19-inch standard cabinet in which Party A may install the equipment. The dimension of each cabinet unit is 482.6 mm in width and 44.5 mm in height. Party A' equipment may be fixed on the cabinet frame with Party A's installation appliance and or the supporting board provided by Party B.

(4) Server room. Party B will provide Party A with a server room with the operational equipment at telecom level, including air-conditioners, anti-dust, fire prevention and security monitor, etc.

(5) Service provider's equipment. Service provider's equipment means the hardware equipment such as the server, switch equipment, hub, special cable, connecting wires and other accessories, used to connecting with users' equipment and provided by the service provider for delivering related services. Service provider's equipment do not include operating system, application program, users' data and related system configuration data.

ARTICLE 3 LEASE TERM

The term of lease hereunder for the subject leased by Party B to Party A is twelve (12) months, commencing from January 1, 2010 and ending on December 31, 2010.

ARTICLE 4 RENTAL AND PAYMENT METHOD

The Parties hereby confirm that, in the course of cooperation on lease, Party A shall pay related fees to Party B pursuant to the flowing method:

(1) Rental standard. Party A will lease cabinets from Party B. Rental for lease of cabinets (4KVA/18A/dual-inverter single UPS): RMB2,900/set/month. Each cabinet's power usage peak value will be limited under 20A. Cabinets' average power usage value is limited under 18A. The Parties will confirm the usage of power quarterly. The rental cost for a lease period less then one quarter will be calculated as following: (actual days of lease from the lease starting day to last day of such quarter/days of such quarter * number of cabinets leased * unit rental). The confirmation standard is: number of leased cabinets * unit rental * number of months of lease. Party A shall confirm the details of equipment lease through the Resources Usage Confirmation Notice (attached hereto) with Party B at the last day of each quarter. The Resources Usage Confirmation Notice signed by both Parties in writing will be deemed as an effective rental calculation basis.

(2) Rental payment schedule and method: Party A shall pay Party B the rental for a lease period within thirty (30) days upon the ending of such lease period. Party B shall issue official and valid invoice to Party A upon receiving the payment from Party A.

(3) The above mentioned rental shall be net of any applicable taxes. In addition to such rental, Party A shall be liable for any other expenses and related taxes incurred from the performance of this Agreement.

ARTICLE 5 RIGHTS AND OBLIGATIONS OF PARTY A

1. Party A undertakes to take the following responsibilities in the capacity of IDC service provider and Internet access service provider in accordance with relevant laws and regulations, and shall be held liable for all losses incurred by Party B arising from its failure to perform any of such responsibilities:

(1) Party A warrants that its clients will be in strict compliance with relevant laws, regulations and administrative rules, such as the *Internet Information Services Administrative Measures*, the *Computer Information Network Worldwide Web Security Protection Administrative Measures*, and the *Internet Electronic Bulletin Services Administrative Regulations*, in connection with any activity under this Agreement, and may not use any leased services for any purposes which may endanger national security, divulge state secrets, commit any crime or any other acts which may impair social security.

(2) If any client of Party A is in breach of any laws, regulations and administrative rules in connection with use of any services under this Agreement, Party A shall immediately suspend its services to the client up to termination part or the whole of this Agreement, and shall concurrently notify Party B. If any competent government agency issues any forbidding order or similar requirement relating to any services under this Agreement, Party A shall comply with such order or requirement immediately.

(3) Party A warrants that the contents provided by its clients will not infringe the valid rights of any other party and, if there occurs any such infringement, Party A shall be liable for all losses incurred by Party B arising thereof.

2. Party A warrants that all software and hardware equipment/systems under its hosting as well as any other services provided based thereon have all requisite licenses and authorizations, and continue to maintain such licenses and authorizations during the term of this Agreement.

3. Party A will be responsible for the transportation, installation, operation, maintenance, as well as data security, backup and deletion regarding all software and hardware equipment/systems under its hosting, and will cause designated employee to conduct coordination with the technical personnel of Party B. Any breakdown arising from the server of Party A shall be revolved by Party A promptly.

4. Party A warrants that the equipment under its hosting is in compliance with national standards on electronics and communication equipment, and all systems installed upon such equipment is in compliance with relevant communication standards.

5. Party A will make payment of fees in the amount and timeframe provided under this Agreement.

ARTICLE 6 RIGHTS AND OBLIGATIONS OF PARTY B

1. Party B shall provide Party A with space and related equipment in the leased server room hereunder, to allow Party A to place its equipment.

2. Party B shall be responsible for the physical safety of the hosting equipment of Party A to ensure its normal operation. If any hosting equipment of Party A suffers any loss or system breakdown due to inconsistent power supply or water leakage by or relating to Party B, Party B will resolve such breakdown immediately and indemnify any loss suffered by Party A, if any, provided that the indemnification shall be no more than the replacement price of the equipment of Party A that is damaged thereof.

3. Party B shall provide assistance and coordination in connection with the system installation, network commissioning, and onsite maintenance by Party A.

4. Party B shall be responsible for the safety of the computer rooms and client equipment, and provide real-time telephone response as well as 7*24 network maintenance services for the server of Party A. Party B will provide technical support at the request of Party A for system re-starting from power interruption.

5. Party B shall notify Party A 48 hours in advance in writing of any foreseeable occurrence which may affect the use of services by Party A, including wire inspection, system relocation, and software upgrade.

6. Party B shall collect the fees provided under this Agreement.

ARTICLE 7 BREACH LIABILITIES

1. None of the Parties may suspend performance of this Agreement, and any Party failing to do so will be deemed to be in breach of this Agreement and be liable for any direct economic loss incurred by the other Party.
2. Party A will make payment of the fees provided under this Agreement and, if it fails to do so, Party B may request payment of such fees plus liquidated damages in the amount of 0.3% of the overdue payment for each day overdue. If Party A fails to make payment provided under this Agreement for more than 30 days, Party B may suspend its services to Party A. If Party A fails to make payment for more than 60 days and fails to pay the liquidated damages, Party B may terminate its services. Upon such termination, Party A will make full payment of any fees and damages due and payable to Party B in lump sum. If Party A fails to do so, Party B reserve the right to dispose any equipment of Party A, and any proceeds from such disposition will be used to set off any fees and damages due and payable to Party B and the remaining amount, if any, will be returned to Party A. If Party A makes full payment of any fees and damages due and payable to Party B upon termination of services by Party B, Party A will remove its equipment from the site of Party B. if Party A fails to do so, Party B reserves the right to dispose any such equipment and any loss and consequence incurred by Party A, any clients of Party A or any third party will be borne by Party A.
3. If any Party is in breach of this Agreement, the non-breaching Party may request the breaching Party to cease such breach and indemnify the non-breaching Party in writing. If each of the Parties is in breach of this Agreement, each of them will be held liable based on their breach. The Parties agree to resolve any breach or indemnification according to the dispute resolution terms of this Agreement if no agreement fails to be made thereon.

ARTICLE 8 EXCLUSIVE LIABILITIES

Party B will not be liable for any loss or adverse consequence arising from its failure to provide services as provided under this Agreement if:

(1) Party A fails to pay the fees and other payment payable to Party B provided under this Agreement;

(2) Party B conducts construction, inspection and maintenance of the wires or equipment with prior notice to Party A;

(3) Party A or any of its clients is found of any fault; or

(4) Any problem occurs in connection with the operating system, application software, data or system security or administration of Party A or its clients.

ARTICLE 9 CONFIDENTIALITY

1. Each of the Parties will keep in confidence during and after the term of this Agreement any confidential materials or information it receives from the other Party in connection with execution or performance of this Agreement (the “Confidential Information”). Without prior written consent of the other Party, neither Party may disclose the content of this Agreement or any Confidential Information to any third party. Any Party failing to comply with Confidentiality clause will be deemed in breach of this Agreement and will be liable for any losses suffered by the non-breaching Party.

2. Upon expiration or termination of this Agreement and at the written request of the other Party, the Party receiving any Confidential Information from the other Party will return to the other Party or destroy any documents, materials, software, and client information containing the Confidential Information, and may not use any such Confidential Information.

ARTICLE 10 FORCE MAJEURE

If any or both of the Parties is unable to perform this Agreement due to any force majeure event, the Party encountering such force majuere event may be resolved from its responsibility under this Agreement according to law; provided, however, that such Party will notify the other Party of such force majeure event within 15 days upon its occurrence in writing, along with an evidence from a competent authority. The Party encountering the force majeure event shall continue to perform this Agreement within a reasonable time upon elimination of the force majeure event. For purpose of this Agreement, force majeure events mean unavoidable events such as acts of God, wars, government acts, and breakdown of third party services.

ARTICLE 11 DISPUTE RESOLUTION

Any dispute arising from this Agreement shall be resolved by the Parties through friendly negotiations; if such negotiations fail, the Parties agree to submit the dispute before a court at the place where Party B is located.

ARTICLE 12 COMMENCEMENT, EXTENSION, CHANGE AND TERMINATION OF COOPERATION

1. Anything not provided herein shall be negotiated by the Parties separately, and any agreement reached by the Parties in the forms of Agreement, memorandum or schedules shall enjoy the same legal force as this Agreement after such agreement has been executed and affixed with seals by the Parties.
2. This Agreement is the conclusive Agreement regarding the subject matter under this Agreement and supersedes all prior Agreements made by the Parties in respect of the subject matter.
3. This Agreement will be effective upon execution and affixture of seal by the Parties, and shall have a term of one year.
4. This Agreement is in four copies, with each Party holding two copies. Each of such copies shall enjoy the same legal force.

Party A:

21Vianet (Xi’an) Information Outsourcing Industry Park Services Co., Ltd. (seal)

Signature: /s/ authorized signatory

Party B:

21Vianet Xi’an Technology Limited (seal)

Signature: /s/ authorized signatory

Supplemental to Equipment and Cabinet Lease Agreement

Contract No.: XAB1009P0001A

XAT1009S0001A

Effective Date:

This Supplemental to Equipment and Cabinet Lease Agreement (this "Supplemental") is entered into by the following Parties:

Party A: 21Vianet (Xi'an) Information Outsourcing Industry Park Services Co., Ltd.

Address: 11th Floor, Kairui Tower A, Export Processing Zone, 12th Road, Fengcheng, Jingkai District, Xi'an

Party B: 21Vianet Xi'an Technology Limited

Address: Multi-functional Plant, Export Processing Zone, 10th Road, Fengcheng, Jingkai District, Xi'an

(Collectively, the "Parties")

WHEREAS,

(1) Party A and Party B entered into a Server Room Equipment and Cabinets Lease Agreement dated January 1, 2010 with the contract No.: XAT1004S0001 (the "Original Agreement");

(2) The Parties intend to make amendments and supplements as set out in this Supplemental to the Original Agreement.

THEREFORE, through friendly negotiations the Parties agree upon the following supplements to the Original Agreement:

1. The Parties agree that to replace the paragraph (1) of the Article 4 of the Agreement with the following paragraph: "Party A will lease cabinets from Party B. Rental for lease of cabinets (4KVA/18A/dual-inverter single UPS): RMB2,228/set/month. Each cabinet's power usage peak value will be limited under 20A. Cabinets' average power usage value is limited under 18A. The Parties will confirm the usage of power quarterly. The rental cost for a lease period less then one quarter will be calculated as following: (actual days of lease from the lease starting day to last day of such quarter/days of such quarter * number of cabinets leased * unit rental). The confirmation standard is: number of leased cabinets * unit rental * number of months of lease. Party A shall confirm the details of equipment lease through the Resources Usage Confirmation Notice (attached hereto) with Party B at the last day of each quarter. The Resources Usage Confirmation Notice signed by both Parties in writing will be deemed as an effective rental calculation basis."

2. This Supplemental is the supplement and amendment to the Original Agreement by and between Party A and Party B. Unless otherwise specified herein, the non-amended parts of the Original Agreement shall remain fully effective.

3. The price set out in this Supplemental shall become valid upon the effectiveness of the Original Agreement.

4. This Supplemental is written in four (4) original copies, each Party holding two (2) copies. The four copies have the same legal effect.

IN WITNESS WHEREOF, this Supplemental is signed by the duly authorized representatives of both Parties on the date first written above.

Party A:

21Vianet (Xi’an) Information Outsourcing Industry Park Services Co., Ltd. (seal)

Signature: /s/ authorized signatory

Party B:

21Vianet Xi’an Technology Limited (seal)

Signature: /s/ authorized signatory

Exhibit 10.16

ENGERGY AND TECHNOLOGY SERVICES AGREEMENT

Party A: 21Vianet (Xi'an) Information Outsourcing Industry Park Services Co., Ltd.

Party B: 21Vianet Xi'an Technology Limited

(Collectively, the "Parties")

The Parties agree as follows in connection with the provision of Internet data center smart energy technology services to Party A from Party B through friendly negotiations and based on the principles of mutual benefit and long-term cooperation.

ARTICLE 1 SUBJECT MATTER AND PRICE

The subject matter under this Agreement is the provision of Internet data center smart energy technology services to Party A by Party B. For purpose of this Agreement, "smart energy technology services" mean the technical and other services relating to the design, layout, construction and operation of data center by Party B based on its patents and proprietary technologies, so as to realize integrated application of technologies and resources in power, air-conditioning and ventilation systems and high-performance cabinets for the purpose of operating the data center on energy saving, emission reduction and environment friendly means.

Product I - Complete Services, which mean the provision by Party B of all-round data center services for the cabinet and its undercarriage. For purpose of this Paragraph, "cabinet" means the rack located at No.1 Multiple-Tier Plant, Phase II, Exports Processing Zone, Xi'an, Shannxi (i.e., Xi'an JingKai Data Center), which is equipped with a UPS of 4KVA/18A.

Product II - Basic Services, which mean the operating environment in No.1 Multiple-Tier Plant, Phase II, Exports Processing Zone, Xi'an, Shannxi (i.e., Xi'an JingKai Data Center) owned by Party B, including space, power and infrastructure (cold, hot, power and high-voltage power distribution system) and related security, cleaning, dedusting, fire prevention, safety control and technology services, as well as the conditions acceptable for the operation of the equipment and cabinets of Party B.

ARTICLE 2 TERM

The services provided by Party B to Party A under this Agreement will have a term of 12 months, commencing on December 1, 2010 and ending on November 30, 2011.

ARTICLE 3 PRICE AND PAYMENT

The Parties agree that Party A will make payment to Party B as follows in connection with their cooperation under this Agreement:

1. Price

(1) Product I - RMB2,228.00/month/cabinet, provided that the peak electricity consumed per cabinet is no more than 20A, and their average electricity consumed is no more than 18A. The price is subject to calculation based on the actual consumption of electricity.

(2) Product II - RMB1,069.00/month/cabinet. The price is subject to calculation based on the actual consumption of electricity.

2. Confirmation and Settlement

It is agreed that the consumption of services and resources will be confirmed on a monthly basis. The service fee for any cabinet which uses power services prior to the 15th of each month will be payable on a monthly basis, and the service fee for any cabinet which uses power services later than the 15th of each month will be payable on a semi-monthly basis; provided however, that the service fee for Product I and Product II may also be settled on a daily basis, under which circumstance the monthly fee for cabinets shall be the total numbers of cabinets *multiplied* by the days of power used *divided* by the number of use days in such month. The results shall be rounded.

Party B shall confirm the consumption of resources for each month with Party A by the last day of such month in the form of a confirmation letter which upon fixture of seals by the Parties, will constitute one of the evidences for settlement of service fees.

3. Payment Time and Method

Party A will make payment of the service fees for any month no later than the 20th day of the immediately following month. Party B will provide to Party A a valid invoice within five days prior to the payment of Party A.

ARTICLE 4 RIGHTS AND OBLIGATIONS OF PARTY A

1. Party A undertakes to take the following responsibilities in the capacity of IDC service provider and Internet access service provider in accordance with relevant laws and regulations, and shall be held liable for all losses incurred by Party B arising from its failure to perform any of such responsibilities:

(1) Party A warrants that its clients will be in strict compliance with relevant laws, regulations and administrative rules, such as the *Internet Information Services Administrative Measures*, the *Computer Information Network Worldwide Web Security Protection Administrative Measures*, and the *Internet Electronic Bulletin Services Administrative Regulations*, in connection with any activity under this Agreement, and may not use any leased services for any purposes which may endanger national security, divulge state secrets, commit any crime or any other acts which may impair social security.

(2) If any client of Party A is in breach of any laws, regulations and administrative rules in connection with use of any services under this Agreement, Party A shall immediately suspend its services to the client up to termination part or the whole of this Agreement, and shall concurrently notify Party B. If any competent government agency issues any forbidding order or similar requirement relating to any services under this Agreement, Party A shall comply with such order or requirement immediately.

(3) Party A warrants that the contents provided by its clients will not infringe the valid rights of any other party and, if there occurs any such infringement, Party A shall be liable for all losses incurred by Party B arising thereof.

2. Party A warrants that all software and hardware equipment/systems under its hosting as well as any other services provided based thereon have all requisite licenses and authorizations, and continue to maintain such licenses and authorizations during the term of this Agreement.

3. Party A will be responsible for the transportation, installation, operation, maintenance, as well as data security, backup and deletion regarding all software and hardware equipment/systems under its hosting, and will cause designated employee to conduct coordination with the technical personnel of Party B. Any breakdown arising from the server of Party A shall be revolved by Party A promptly.

4. Party A warrants that the equipment under its hosting is in compliance with national standards on electronics and communication equipment, and all systems installed upon such equipment is in compliance with relevant communication standards.

5. Party A will make payment of fees in the amount and timeframe provided under this Agreement.

ARTICLE 5 RIGHTS AND OBLIGATIONS OF PARTY B

1. Party B will be responsible for the physical safety of the hosting equipment of Party A to ensure its normal operation. If any hosting equipment of Party A suffers any loss or system breakdown due to inconsistent power supply or water leakage by or relating to Party B, Party B will resolve such breakdown immediately and indemnify any loss suffered by Party A, if any, provided that the indemnification shall be no more than the replacement price of the equipment of Party A that is damaged thereof.

2. Party B shall provide assistance and coordination in connection with the system installation, network commissioning, and onsite maintenance by Party A.

3. Party B shall be responsible for the safety of the computer rooms and client equipment, and provide real-time telephone response as well as 7*24 network maintenance services for the server of Party A. Party B will provide technical support at the request of Party A for system re-starting from power interruption.

4. Party B shall notify Party A 48 hours in advance in writing of any foreseeable occurrence which may affect the use of services by Party A, including wire inspection, system relocation, and software upgrade.

5. Party B shall collect the fees provided under this Agreement.

ARTICLE 6 BREACH LIABILITIES

1. None of the Parties may suspend performance of this Agreement, and any Party failing to do so will be deemed to be in breach of this Agreement and be liable for any direct economic loss incurred by the other Party.

2. Party A will make payment of the fees provided under this Agreement and, if it fails to do so, Party B may request payment of such fees plus liquidated damages in the amount of 0.3% of the overdue payment for each day overdue. If Party A fails to make payment provided under this Agreement for more than 30 days, Party B may suspend its services to Party A. If Party A fails to make payment for more than 60 days and fails to pay the liquidated damages, Party B may terminate its services. Upon such termination, Party A will make full payment of any fees and damages due and payable to Party B in lump sum. If Party A fails to do so, Party B reserve the right to dispose any equipment of Party A, and any proceeds from such disposition will be used to set off any fees and damages due and payable to Party B and the remaining amount, if any, will be returned to Party A. If Party A makes full payment of any fees and damages due and payable to Party B upon termination of services by Party B, Party A will remove its equipment from the site of Party B. if Party A fails to do so, Party B reserves the right to dispose any such equipment and any loss and consequence incurred by Party A, any clients of Party A or any third party will be borne by Party A.

3. If any Party is in breach of this Agreement, the non-breaching Party may request the breaching Party to cease such breach and indemnify the non-breaching Party in writing. If each of the Parties is in breach of this Agreement, each of them will be held liable based on their breach. The Parties agree to resolve any breach or indemnification according to the dispute resolution terms of this Agreement if no agreement fails to be made thereon.

ARTICLE 7 DISCLAIMER

Party B will not be liable for any loss or adverse consequence arising from its failure to provide services as provided under this Agreement if:

(1) Party A fails to pay the fees and other payment payable to Party B provided under this Agreement;

(2) Party B conducts construction, inspection and maintenance of the wires or equipment with prior notice to Party A;

(3) Party A or any of its clients is found of any fault; or

(4) Any problem occurs in connection with the operating system, application software, data or system security or administration of Party A or its clients.

ARTICLE 8 CONFIDENTIALITY

1. Each of the Parties will keep in confidence during and after the term of this Agreement any confidential materials or information it receives from the other Party in connection with execution or performance of this Agreement (the “Confidential Information”). Without prior written consent of the other Party, neither Party may disclose the content of this Agreement or any Confidential Information to any third party. Any Party failing to comply with Confidentiality clause will be deemed in breach of this Agreement and will be liable for any losses suffered by the non-breaching Party.
2. Upon expiration or termination of this Agreement and at the written request of the other Party, the Party receiving any Confidential Information from the other Party will return to the other Party or destroy any documents, materials, software, and client information containing the Confidential Information, and may not use any such Confidential Information.

ARTICLE 9 FORCE MAJEURE

If any or both of the Parties is unable to perform this Agreement due to any force majeure event, the Party encountering such force majuere event may be resolved from its responsibility under this Agreement according to law; provided, however, that such Party will notify the other Party of such force majeure event within 15 days upon its occurrence in writing, along with an evidence from a competent authority. The Party encountering the force majeure event shall continue to perform this Agreement within a reasonable time upon elimination of the force majeure event. For purpose of this Agreement, force majeure events mean unavoidable events such as acts of God, wars, government acts, and breakdown of third party services.

ARTICLE 10 DISPUTE RESOLUTION

Any dispute arising from this Agreement shall be resolved by the Parties through friendly negotiations; if such negotiations fail, the Parties agree to submit the dispute before a court at the place where Party B is located.

ARTICLE 11 EFFECTIVENESS, RENEWAL, AMENDMENT AND TERMINATION

1. Anything not provided herein shall be negotiated by the Parties separately, and any agreement reached by the Parties in the forms of Agreement, memorandum or schedules shall enjoy the same legal force as this Agreement after such agreement has been executed and affixed with seals by the Parties.
2. This Agreement is the conclusive Agreement regarding the subject matter under this Agreement and supersedes all prior Agreements made by the Parties in respect of the subject matter.
3. This Agreement will be effective upon execution and affixture of seal by the Parties, and shall have a term of one year.
4. This Agreement is in four copies, with each Party holding two copies. Each of such copies shall enjoy the same legal force.

Party A:

21Vianet (Xi’an) Information Outsourcing Industry Park Services Co., Ltd. (seal)

Signature: /s/ authorized signatory

Party B:

21Vianet Xi’an Technology Limited (seal)

Signature: /s/ authorized signatory

Exhibit 10.17

Sale and Purchase Agreement

Party A (Purchaser): 21Vianet (Xi'an) Information Outsourcing Industry Park Services Co., Ltd.

Party B (Seller): 21Vianet Xi'an Technology Limited

Based on the principal of mutual benefit and long-term cooperation and on the basis of equality and friendly negotiation, with regard to the sale of cabinets and supplemental infrastructure and equipments, Party A and Party B hereby agree to the following:

1. Subject matter

The subject matter of the Agreement is the core cabinets and related infrastructure and equipments of the data center (including racks, servers and spaces), which can be used normally when there is normal power supply. Specific names and amounts of the products, unit price and total amounts shall be referred to the purchase list provided by Party B.

2. Time and place of delivery

Within 5 days after the effectiveness of this Agreement, Party B shall deliver the subject matter hereunder to Party B's No.1 server room located at the multi-storey facility in Xi'an Export Processing Park, Phase II, designated by Party A. Party B shall also be responsible to test run so as to make sure that the products are in the normal operation status, the ownership of the subject matter and the risk of ownership shall be transferred to Party A thereafter.

3. Price and Payment

The total amount under this Agreement is RMB 27,633,411.30. The name, amount and price of the products shall be referred to the purchase list. After Party A examines and accepts the products, Party B shall provide legal and effective invoice in full amount, Party A shall pay 95% of the total amount within 15 working days after receiving the invoice, while the remaining 5% shall be deemed as the quality guarantee fee. If the subject matter hereunder is products already used by Party B, the period already used (year or month) shall be disclosed by Party B.

4. Quality guarantee and quality guarantee fee

The quality guarantee period of the cabinet is one year and the quality guarantee fee is 5% of the total value of the cabinets; the quality guarantee period of other infrastructure and equipments is one year and the quality guarantee fee is 5% of the total value. Party B shall require Party A to pay the quality guarantee fee after expiration of the quality guarantee period, after Party A's technology department agree and signs, Party A's operation department shall start the payment process. Within the quality guarantee period, Party B shall make substantial response within 8 hours after Party A requires maintenance and shall make maintenance and replace components within 24 hours, guarantee that the equipment return to normal status within 36 hours.

5. Special provisions

Party A and Party B shall designate respective personnel to complete product transfer procedures in joint efforts.

6. Anything not contemplated herein shall be solved by both Parties through friendly negotiation. This Agreement shall be executed in four counterparts, two of which shall be held by each Party and shall enjoy the same legal validity.

Party A (seal): 21Vianet (Xi'an) Information Outsourcing Industry Park Services Co., Ltd.
Representative (signature): /s/ Authorized signatory of 21Vianet (Xi'an) Information Outsourcing Industry Park Services Co., Ltd.

Party B (seal): 21Vianet Xi'an Technology Limited
Representative (signature): /s/ Authorized signatory of 21Vianet Xi'an Technology Limited

Exhibit 10.18

IDC Server Room Outsourcing Agreement

Party A: Beijing 21Vianet Broad Band Data Center Co., Ltd.

Party B: 21Vianet Engineering Technology Services Co., Ltd. ("VEE")

(Collectively, the "Parties")

ARTICLE 1 DEFINITION

1. Facilities mean power distribution system, UPS system (including battery), air conditioning system, fire prevention system, data center monitoring system, access control system, and CCTV monitoring system in the B28 and M5 data centers located at Jiuxianqiao, Beijing.

ARTICLE 2 SCOPE OF SERVICES

Party B shall, at the request of Party A, establish and maintain an independent maintenance team responsible for providing maintenance services regarding the data center's operation and ensure the services in compliance with the standards agreed upon hereunder.

ARTICLE 3 ITEMS OF SERVICES

1. Conduct a 7*24 maintenance and management regarding the Facilities;
2. The services include daily inspection, trouble shooting, Facilities monitoring and regular equipment maintenance of the Facilities (see appendix for detailed information).

ARTICLE 4 UNDERTAKINGS REGARDING SERVICES

1. Ensuring provision of 7*24 services by power maintenance personnel; and
2. Ensuring provision of inspection and regular maintenance of the Facilities.

ARTICLE 5 PARTY A'S RIGHTS AND OBLIGATIONS

1. Party A shall provide necessary working space for Party B's operation maintenance personnel;
2. Party A shall pay the service fee to Party B monthly;
3. Party A may seek necessary and legitimate measures for supervision of Party B's services.

ARTICLE 6 PARTY B'S RIGHTS AND OBLIGATIONS

1. Party B shall assign an independent team to conduct maintenance and management regarding the data center's operation, and shall fulfill its undertakings with respect to its services to be provided hereunder;
2. Party B shall appoint specific personnel responsible for management of the maintenance and management team, including the organizational structure, selection of personnel, personnel welfare and salaries, personnel training, establishing work process, management system, and shall regularly report to Party A.

ARTICLE 7 LIABILITIES FOR BREACH OF CONTRACT

1. A penalty will be imposed on Party A for any overdue payment of service fee, equaling to 0.3% of the total monthly service fee for each day overdue.
2. If the services provided by Party B fail to meet the service standards agreed upon by the Parties, Party A may deduct certain amount from the monthly service fee, provided that the deducted amount is determined by both Parties through negotiations.

ARTICLE 8 SERVICE FEE, TERM OF SERVICE AND OTHER TENTATIVE FEES

1. This Agreement shall become effective on July 1st, 2008, upon execution and affixture of seals by the Parties.
2. The term of this Agreement and the term of services are 6 months respectively.
3. The monthly service fee is RMB 205,270.
4. Other tentative fees: if any person other than member of the maintenance and management team is required to access the IDC server room for certain work which is not included in the services provided by Party B, such as power cutover and reconstruction, the fees so incurred shall not be covered by the monthly service fee mentioned in above clause.

ARTICLE 9 PAYMENT METHOD

1. Party A make payment of the monthly service fee by the 30th day of each month to Party B's account as follows;

   Party B's account information:
2. Party B shall provide an official invoice recognized by the financial and taxes authorities within five (5) business days upon receipt of the monthly service fee paid by Party A.

ARTICLE 10 CONFIDENTIALITY

1. Without the other Party's consent, neither Party shall disclose the content of this Agreement or any confidential information of the other Party (collectively, "Confidential Information") to any third party or the public. The confidentiality term is five (5) years from the day of disclosure. This article survives the termination of this Agreement.

2. Each Party shall use reasonable caution to keep confidential of the business secrets of the other Party obtained in connection with this Agreement, and shall not disclose such business secrets to any third party without the written consent of the owner of such business secret.

3. No confidential information will be treated as Confidential Information if:

- its has been in the possession or knowledge of the receiving Party prior to its receipt of such information from the other Party;
- it has been known by the public without breach of this Agreement;
- it is disclosed as required by the order of court with jurisdiction or the competent authorities; *provided, however* that the receiving Party shall notify the disclosing Party of it in advance to allow the disclosing Party having opportunity to defense, and limit or prevent its occurrence;
- it is disclosed to the third party under the written authorization by the disclosing Party; and
- Party B may announce in writing or orally throughout the term of this Agreement that Party A is one of its users.

ARTICLE 11 FORCE MAJEURE

Force Majeure may include without limitation earthquake, typhoon, war, governmental action, change or adjustment in laws, regulations or policies, fire occurring due to any reason not attributable to either Party, and any other event which neither Party can foresee, or prevent or avoid the occurrence and consequence of. The affected Party shall provide a timely notice to the other Party of the occurrence of the Force Majeure event. The Parties shall, according to the extent of the influence of the Force Majeure event on this Agreement, decide whether to terminate this Agreement through negotiations, or waive all or partial obligations of the affected Party hereunder.

ARTICLE 12 DISPUTE RESOLUTION

Any dispute arising from the performance of this Agreement shall be firstly resolved by the Parties through friendly negotiation. If negotiations fail, the Parties agree to submit the dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its then effective arbitration rules.

ARTICLE 13 MISCELLANEOUS

1. Any issue not contemplated herein shall be resolved by the Parties through negotiation.

2. In the event that certain item of services is early terminated, the remaining services shall still be performed.

3. This Agreement, the Appendices hereto, and any other supplemental hereto from time to time are deemed as an integral part of this Agreement.

4. This Agreement is made in four (4) original copies, each Party holding two (2) copies. This Agreement becomes effective upon authorized signature and affixture of seals of each Party. The four (4) copies have the same legal effect.

Party A: Beijing 21Vianet Broad Band server room Co., Ltd.

/s/ Xiao Feng

(company seal)

Date: June 28, 2009

Party B: 21Vianet Engineering Technology Services Co., Ltd.

/s/ Authorized signatory of 21Vianet Engineering Technology Services Co., Ltd.

(company seal)

Date: June 28, 2009

Appendix

I. Facilities to be maintained include:

1. Power System
   a) Two (2) high voltage systems
   b) Diesel generator
   c) UPS system
   d) Battery
   e) Low voltage system;

2. Air-conditioning System
   a) Cool water device
   b) Cooling tower
   c) Plate heat exchanger
   d) Back-up reservoir
   e) Other equipment in the cooling water system, such as, pump, water replenishing appliance, valve, pressure meter, thermometer;
   f) Precise air-conditioner in the IDC server room;
   g) Other equipment in the cooling water system, such as, pump, water replenishing appliance, water softening system, valve, filter, pressure meter, thermometer;
   h) VRV air-conditioner

3. Monitoring and Weak Current System
   a) CCTV television monitoring system
   b) Entrance access control system
   c) Integrated monitoring system (including, the temperature and humidity, power distribution monitoring, air-conditioning monitoring, monitoring of power generator, and monitoring of water and diesel leakage inside the IDC server room)

4. Fire Prevention System
   a) Temperature sensor, smoke sensor, and fire alarm system;
   b) Very early smoke detection apparatus;

c) Gas fire extinguishing system.

II. Content of Operation Maintenance Work:

1. Power and environment monitoring inside IDC server room

   To provide a 7*24 monitoring of power supply and environment inside the IDC server room, and conduct regular inspection on the electricity room, air-conditioner room, power generator room and all the other server rooms, to ensure the normal and reliable operation of equipment.

2. Maintenance of equipment in the IDC server room

   To conduct daily maintenance on the Facilities including transformers, switchgear assemblies, UPS, batteries, power generators, and air-conditioners, etc., according to the content and timeline specified in the facilities maintenance schedule, as well as the maintenance procedure.

3. Solution of problems related to facilities and environment of the IDC server room

   To solve or procure the manufacturers to solve the problems or troubles in a timely manner, related to the Facilities in the IDC server room, including the UPS, diesel power generator, power distribution system and monitoring system, etc.

4. Recording and documentation of monitoring data

   To conduct and maintain a good recording of monitoring data, provide all kinds of data and statements on a regular basis, identify the unreasonable practice in the course of operation by analyzing the original operation maintenance data, and provide improvement suggestion.

7*24-hours on-duty + inspection + equipment maintenance + trouble shooting for certain equipment

	Item	Content	Remark
On-duty inspection and emergency handling	Environment of IDC server room	7*24 monitoring on temperature and humidity	
		7*24 water leakage alarm and monitoring	
	Monitoring on equipment	7*24 integrated monitoring on UPS and air-conditioners	
	Inspection on environment in IDC server room	Inspection on environment in the IDC server room once a day	
	Inspection on equipment in IDC server room	Inspection of power distribution room, and air-conditioner room twice a day	
	Handling of emergencies related to power distribution, environment, fire prevention, natural disasters in IDC server room	Measures for handling emergencies, including the interruption of power supply, break-down of equipment, water leakage, temperature beyond limitation, or fire, to ensure the operation of the IDC server room and reporting of urgency	
Maintenance of equipment	Maintenance and management	Preparation of equipment maintenance schedule	
		Regular maintenance of equipment	
		Purchase and management maintenance materials	
Management of assets		Management of equipment assets	

III. Maintenance Personnel

1. Manager (Engineer), number: 1

Basic Information about Position

Title	Manager (Engineer)	Superior	Facilities Maintenance Director	Department	Facilities Maintenance

Major Responsibilities	1. To prefect the inspection policy, measures and standards related to Facilities (UPS, diesel power generator, air-conditions and power distribution system, etc.) in IDC server room.
	2. To manage the Facilities-related on-duty and maintenance personnel, to ensure the stable operation of the facilities maintenance department.
	3. To monitor and direct the maintenance engineers to conduct daily maintenance on the Facilities including UPS, batteries, and air-conditioners.
	4. To conduct, or organize engineers and related parties to conduct, trouble shooting and elimination of hidden danger, in the event of the breaking down of Facilities.
	5. To identify the unreasonable practice in the course of operation by analyzing the original operation maintenance data, and provide improvement suggestion accordingly.
Required office equipment	
Notebook	1 set

2. Supervisor, number: 2

Basic Information about Position

Title	Supervisor	Superior	Manager (Engineer)	Department	Facilities Maintenance
Major Responsibilities	1. To establish the plan of inspection of Facilities (UPS, diesel power generator, air-conditions and power distribution system, etc.) in the IDC server room. And to conduct daily maintenance on the Facilities including UPS, batteries, and air-conditioners. 2. To solve or procure the manufacturers to solve the problems or troubles in a timely manner, related to the Facilities in the IDC server room. 3. To identify the unreasonable practice in the course of operation by analyzing the original operation maintenance data, and provide improvement suggestion accordingly.				
Required office equipment					
Desktop	1 set				

3. On-duty electrician, number: 25

Basic Information about Position

Title	On-duty Electrician	Superior	Manager (Engineer)	Department	Facilities Maintenance
Major Responsibilities	1. To conduct a 7*24-hours monitoring and inspection on the Facilities in the IDC server room. 2. To give a timely notice in the event of any problem related to Facilities and environment of the IDC server room, and handle the emergent issues. 3. To assist the maintenance engineers in conducting daily maintenance and trouble shooting.				
Required office equipment					
Desktop	1 set				

Exhibit 10.19

Form Asset Transfer Agreement

This agreement is entered into by the following parties on _____ in Beijing:

Transferee: _____ ("Party A")
Transferor: _____ ("Party B")

Through friendly negotiation, Party A and Party B hereby agree to the following with respect to asset transfer:

1. Asset transfer

1.1 Party B hereby agrees to transfer to Party A and Party A hereby agrees to accept the _____ ("Assets") from Party B. Please refer to Annex 1 for a detailed list of Assets.

2. Transfer price

2.1 Party A and Party B agree that the total price of the Assets is RMB_____, _____ is the transfer base date.

3. Payment method

3.1 Party A and Party B agree that the transfer price shall be paid within 3 months after the transfer base date in lump sum.

3.2 Party A and Party B shall be responsible for their respective taxes under applicable Chinese laws (including stamp duty and other government taxes) arising from this Agreement.

4. Closing and transfer

4.1 Within 30 days after execution of this Agreement, both Parties shall check Assets based on Annex 1, carry out closing activities and make confirmation regarding the asset transfer in writing. Party A shall be responsible for relevant fees.

4.2 Within the period from execution of this Agreement and closing of asset transfer, Party B shall safe keep the transferred Assets in good faith and shall not engage in any activities endangering the transferred Assets.

5. Representations and warranties

5.1 Party B shall make the following warranties to Party A when executing this Agreement and transferring Assets to Party A:

(i) The status of the transferred Assets as listed on Annex 1 shall remain to be true before the Asset transfer closing date;

(2) No encumbrance in any form is imposed on the transferred Assets;

(3) No third party interests or creditor's rights in any form exist on the transferred Assets;

(4) No contingent liability in form is attached to the transferred Assets;

(5) Party B's performance of obligations hereunder (including transferring relevant business contracts to Party A) shall not cause Party B violate, cancel or terminate any contract to which Party B is a party;

(6) Party B enjoys complete ownership and disposal right of the transferred Assets, the usage of such Assets by Party B and the continuance usage of such Assets by Party A shall not violate any third party interests, including but not limited to violating intellectual property rights of any third party;

(7) Party B has been approved by its internal decision-making body to engage in the Asset transfer hereunder.

5.2 Party B hereby make the following special warranty: if any third party claims any interests on the transferred Assets, Party B shall be responsible for all the liabilities and consequences.

6. Confidentiality

6.1 Both Parties acknowledge that any oral or written materials conveyed with respect to the major terms of this Agreement shall be deemed as confidential materials (including but not limited to the major terms of this Agreement and this transaction). Both Parties shall keep strict confidential of all such materials and shall not disclose any material to any third party without the consent of the other Party. Party B acknowledges that it shall not disclose the contents of the transaction contemplated hereunder in any form without obtaining Party A's consent. If Party A's consent is obtained, disclosure shall be made according to Party A's statements.

7. Force Majeure

7.1 Force majeure means objective circumstances unforeseeable, unavoidable and insurmountable which are caused by typhoon, earthquake, flood, government policy change or other reasons not due to Party B's liability. The party encountering force majeure shall notify the other party of the force majeure events within 15 days and provide effective proof of the reason to failure of performance, partial failure of performance or extension of performance. According to the influential extent on which the force majeure events have on the performance of this Agreement, both Parties shall negotiate to determine whether to terminate this Agreement, waive partial liabilities of this Agreement or extension of performance.

8. Applicable law and dispute settlement

8.1 The effectiveness, interpretation and performance of this Agreement shall be governed by the currently effective Chinese laws and regulations, subject to amendments from time to time and effective regulations of government authorities.

8.2 All the disputes arising from this Agreement or the performance of this Agreements shall be solved through friendly negotiation, if no agreement can be reached, the disputes shall be submitted to Beijing Chaoyang District People's Court.

8.3 During the dispute period, both Parties shall continue to perform the remaining provisions hereunder.

9. Liability for breach of contract

9.1 The breaching party shall compensate the other party for the losses incurred.

10. Effectiveness and amendment

10.1 This Agreement shall become effective after both Parties affix their official seals hereto. This Agreement can be changed, amended and terminated after both Parties agree in writing.

11. Miscellaneous

11.1 If any part of the provision or any provision hereunder is deemed to be invalid, illegitimate or unenforceable, the validity, legitimacy and enforceability of the remaining party of the provision or remaining provisions hereunder shall not be affected.

11.2 Failure or delay to exercise the rights hereunder does not constitute waiver of such rights or remedial measures, nor does it constitute waiver of other rights. Exercising any right or part of the right hereunder shall not limit further exercise of such right, or other rights or remedial measures.

11.3 Neither Party shall transfer its rights and obligations hereunder without the written consent of the other Party. The successor and approved transferee shall be bound by this Agreement.

11.4 Unless otherwise stipulated hereunder, various rights and remedial measures hereunder shall co-exist with any other rights or remedial measures under the law.

11.5 This Agreement shall be executed in four counterparts, two of which shall be held by each party. Each copy shall be deemed as an original copy and shall enjoy the same legal validity.

11.6 The annexes formed, executed and attached to this Agreement shall include but not limited to all agreements, documents, authorizations, reports, lists, acknowledgements, commitments and waiver and shall form an integral part of this Agreement. If there is any discrepancy between the contents of the annex and this Agreement, the latest document shall prevail.

11.7. Annex: Annex 1 Transferred Assets List

Party A:
Authorized Representative:
Date:

Party B:
Authorized Representative:
Date:

Exhibit 10.20

Premise Lease Agreement

Lessor: BOE Estate Management Division

Address: No. 10, Jiuxianqiao Road, Chaoyang District, Beijing

Tel: 010-59756582

Fax: 010-59756570

Lessee: Beijing 21Vianet Broad Band Data Center Co., Ltd.

Address: No. 10, Jiuxianqiao Road, Chaoyang District, Beijing

Legal representative: Jun Zhang

Tel: 84562121

Fax: 84564234

WHEREAS,

1. [55] (B28) is owned by BOE Technology Group Co., Ltd., the Lessor is a non-legal person division of BOE Technology Group Co., Ltd. The Lessor has been duly authorized by BOE Technology Group Co., Ltd. to lease the aforesaid [55](B28) premise;

2. The Lessee is a duly incorporated enterprise legal person (registration number: 110105009411300) and intends to lease the above mentioned premise from the Lessor.

Pursuant to the Contract Law of People's Republic of China, the Urban Real Estate Administration Law of People's Republic of China and other related rules and regulations, for the sake of clarity with respect to the rights and obligations of each party, after friendly negotiations, the parties hereto have reached the following agreement (the "**Lease**") regarding the Lease of [55] (28) property (the "**Leased Premise**") on the basis of equality and mutual benefits.

Article 1: The Leased Premise and Delivery

1.1 The Leased Premise is situated at Building B28, Tower A, Floor 1, No. 10, Jiuxianqiao Road, Chaoyang District, Beijing, which is the area marked by yellow line in Exhibit 1.

1.2 The construction area of the Leased Premise is 1,995.97 square meters (including pool area) (confirmed by both parties).

1.3 The purpose of the Leased Premise is data center, office, research and development.

1.4 The Leased Premise will be delivered to the Lessee in its current conditions, please refer to Exhibit 2 for details of the affiliated facilities to the Leased properties.

1.5 The Lessor agrees to deliver the aforesaid Leased Premise and its affiliated facilities within 2 days after that the Lease takes effect and the Lessee's full payment of the agreed deposit. Upon completion of delivery, the parties shall sign a delivery list (see Exhibit 2)

Article 2 Lease term

2.1 The lease term is 5 years, from May 1, 2010 to April 30, 2015. The calculation of rent starts on May 1, 2010.

2.2 Within 3 months before expiration of the Lease term, the Lessor is entitled to send a written notice to the Lessee and inquire about the Lessee's intent of renewal. If the Lessee fails to express the intent to renew the Lease in written form within 10 days after the Lessor sends the above mentioned written notice, the Lessee is deemed to have waived renewal. If the Lessee responds with the intent to renew the Lease, the parties shall negotiate on the renewal. The Lessee enjoys priority in renewing the Lease under the same conditions. However, if the parties fail to reach an agreement regarding the Lease renewal 30 days prior to the expiration date of the Lease term, regardless of any reasons whatsoever, the Lessee is regarded to have waived renewal and the Lessor can enter into lease agreement with any third party.

2.3 Upon expiration of the Lease term, in absence of the Lessee's express intent to renew the Lease in written form within 10 days after the Lessor sends the above mentioned written notice, or that the Lessee has expressly refused lease renewal, if the Lessee fails to surrender the Leased Premise in accordance with the Lease, a compensation in the amount of 3 times of the daily rent under this Lease per every delay day, shall be paid to the Lessor.

2.4 On the Lease expiration date or termination date, the Lessee shall surrender the Leased Premise to the Lessor, along with all the facilities set out in the hand over list (see Exhibit 2) and any accessio or improvement made to the Leased Premise. Moreover, the Lessor shall surrender the Leased Premise in its good and ready to be re-leased condition (Normal wears and tear and inherent defects are excluded).

2.4.1 Before surrendering the Leased Premise, the Lessee shall empty the Leased Premise, remove all the movables (except for those owned by the Lessor and those that the Lessor is responsible for), fix and repair all the damages made to the Leased Premise, all at the lessee's expense.

2.4.2 The Lessee shall return to the Lessor all the keys and devices used for entering the Leased Premise, and remove, at the Lessee's expense, any doors, walls or any signs or designation attached to the windows in the Leased Premise. Any personal properties or movables of the Lessee, that remain in the Leased Premise after the expiry of final surrender date designated by the Lessor, will be considered disposed, and will be kept as properties of the Lessor or disposed of in any other manners. The Lessee's inaction to dispose or remove the forgoing properties and movables shall constitute the Lessee's disposal of the forgoing properties or movables.

2.4.3 Upon the surrender of the Leased Premise, the parties shall make inspections together to determine whether the forgoing obligations have been fulfilled. If the Lessee fails to remove all the movables in accordance with the forgoing clauses, or fails to repair any damages to the Leased properties, the Lessor is entitled to (but not obliged) to perform the forgoing obligations or hire a third party to do so, and the expense arises therefrom shall be borne by the Lessee.

Article 3 Deposit, Rent and Payment

3.1 Within 3 days after this Lease becomes effective, the Lessee shall pay to the Lessor a deposit in the amount of three months' rent and property management fees. The total amount of the deposit is RMB 467,056.98. Upon expiration or termination of the Lease, the deposit, after offsetting relevant overdue payments or other accounts payable by the Lessee, shall be returned to the Lessee (net of interests).

3.2 The rent of the Leased Premise is RMB 78/m²/day, and the property management fees are RMB 5/m²/day, with the total monthly rent and property management fees being RMB 155,685.66.

3.3 The rent shall be paid monthly, and the Lessee shall clear all the monthly payment outstanding by the fifth date of each month (if it is a holiday, before the date after holiday). The Lessor shall issue an invoice in accordance with relevant rules and regulations.

Article 4 Renovation and Repair of the Leased Premise

4.1 The Lessee may renovate the Leased Premise at its own expenses, however, before the renovation, the Lessor has the right to review the renovation proposal. The Lessor also has the rights (but not the obligations) to comment on the proposal regarding building structure, safety, exterior, fire prevention and environmental protection. If the Lessor proposes changes to the proposal, the Lessee shall amend the proposal accordingly and shall not commence the renovation without the Lessor's written consent. However, the review by the Lessor does not release the Lessee of any liabilities arising from harms to the Lessor or any third party relating to the renovation, neither shall such review imposes any liabilities on the Lessor in its relation to the Lessee. The lessee shall be solely liable for the safety, fire prevention and environmental protection aspects.

4.2 The Lessee shall obtain all the necessary approvals for the renovation in accordance with applicable rules and regulations (the Lessor shall assist), and submit a copy of all the regulatory approvals from governmental agencies to the Lessor for record sake.

4.3 The Lessee shall enter into a "Renovation Safety Agreement" with the Lessor, and go through all the procedures necessary with the Lessor's safety management department.

4.4 The Lessor shall be responsible for the maintenance and upgrade of the original building structure, exterior, exterior windows and doors (excluding glasses) and the inspection and renovation of supplemental facilities of the property; the Lessees shall be responsible for the maintenance of the interior walls, ceilings, floors, all the parts that could not be inspected from outside and the in a timely manner and any installation by the Lessee. If the Lessor fails to repair the facilities that the Lessor is responsible for, which leads to constructive events that cause monetary loss or personal injury or death to the Lessee, the Lessor shall be held liable. If the Lessee fails to repair the properties and facilities that the Lessee is responsible for, the Lessee shall be held liable for whatever loss that thereby arise. The areas that are located inside the property, which cannot be inspected from outside, are responsible for by the Lessee; and the Lessee shall carry out frequent inspections on such areas; if any damage or danger are detected, the Lessee shall notify the Lessor for repair in a timely manner.

4.5 The Lessee shall use the Leased Premise and its supplemental facilities with reasonable care, and shall not dismantle, change or expand the property or set up advertisement or other installation on the exterior. If needed, a prior written consent shall be obtained from the Lessor. In case of any damages done to the Leased Premise due to inappropriate use by the Lessee, the Lessee shall be held liable for repair or compensation. The Lessee shall take care of the Lease property and its facilities, if any problem or danger is detected in respect of the areas that the Lessor is responsible for, the Lessee shall notify the Lessor in a timely manner, with an aim to solve the problem in time.

4.6 If the Lessee has carried out the renovation in accordance with a renovation proposal for the exterior and interior of the property that is approved by the Lessor, and upon expiration or termination of the Lease, if the Lessee is willing to give up the ownership over such renovation, and transfer them to the Lessor, the Lessee is exempt from the duty to restore the property to its original state or the costs for restoration. If the Lessee dismantles part of the renovation, the remaining part shall also be dismantled and the Lessee shall restore the property to its original state and bear the costs for restoration.

If the renovation or alteration is made for the special requirements of the data center business operated by the Lessee, or can only be used by the Lessee (including exterior advertising designation), even if the renovation is made in accordance with a renovation proposal for the exterior and the interior of the property that is approved by the Lessor, the Lessee shall restore the property to its original state and bear the costs for restoration.

Article 5 Termination of the Agreement

5.1 In the event that this Lease cannot continue to be performed because of damage to the Leased Premise by force majeure, this Lease shall terminate; and both parties are released from obligations therein.

5.2 Within the term of the Lease, in the event of government planning or government request for demolitions (relevant documents shall be shown to the Lessee by the Lessor) of the Leased Premise, the Lessor shall notify the Lessee in writing when relevant information is available, and to the extent permitted by government, make best efforts to get turnaround time for the Lessee. In the case of the forgoing conditions, this Lease is terminated on the expiry date of the turnaround time granted by government, the Lessor is obliged to alleviate the loss of the Lessee, however, the Lessor is not obliged to compensate the Lessee.

5.3 Within the term of the Lease, in the event of central planning by the BOE Technology Group, which requires demolitions of the Leased Premise, the Lessor shall notify the Lessee in writing 6 months in advance. In this case, a reasonable turnaround time shall be designated by the lessor in writing and shall not exceed 5 months. Under the forgoing conditions, this Lease will do terminated on the expiry date of the turnaround time designated by the Lessor. The Lessor shall make reasonable compensation to the Lessee in an amount of 3 months rent.

5.4 Within the term of the Lease, except for the reasons stipulated in this Lease or in applicable laws, if the Lessee wishes to terminate the Lease in advance, the Lessee shall notify the Lessor 3 months in advance in writing. The surrender date shall be stated in the notice. This lease shall be terminated on the surrender date. In this case, the Lessee shall make reasonable compensation to the Lessor in an amount of 3 months rent.

5.5 In the event of the followings, the Lessor may unilaterally terminate the Lease:

(1) without the consent of the Lessor, the Lessee transfers, subleases or lends the Leased Premise;

(2) the Lessee dismantles or alters the building structure or the exterior, or alters the use of the Leased Premise, or operates business in a way violating the Lease;

(3) delay in payment of rent or other fees payable (not in full payment) for more than 20 days;

(4) the Lessee carries out any illegal activities in the Leased Premise;

(5) the Lessee’s conduct violates any relevant standards, regulations, and caused material adverse effects to the environment surrounding the Leased Premise or other tenants;

(6) the Lessee emits excessive pollution (gas, sewage, dust, vibration, noise, etc); or even though the emission is not excessive, the emission has affected the normal life and work of other tenants; and the Lessee fails to remedy the effects upon the Lessor’s written request for remedy.

5.6 Upon termination or expiration of the Lease, the Lessee shall remove all its belongings within the turnaround time designated by the Lessor; in the absence of a designated turnaround time, the Lessee shall remove all its belongings within 7 business days after the expiration or termination date of the Lease, surrender the Leased Premise to the Lessor, and pay off all the outstanding rent, default fees and other fees payable. If the Lease is terminated according to Article 5.3 of the Lease, the Lessor shall pay to the Lessee the compensation within 7 days after the Lessee's surrender of the Leased Premise.

Article 6 Liabilities

6.1 The Lessee shall comply with the Lessor's "Safety Management Agreement" (see Exhibit 3) and the relevant property management regulations, and shall be solely responsible for production safety (operation), fire prevention, security, traffic, energy saving, water saving and environmental protection. And the Lessee is responsible for inspecting, managing and preventing hidden risks for safety accidence, and shall be held liable for any loss that may thereby arise.

6.2 The Lessee shall carry out a vibration check before moving into the Leased Premise at the Lessee's expense. The Lessor shall cooperate and provide necessary assistance to the Lessee in carrying out such check. Within the Lease term, the Lessor shall ensure that companies or enterprises with large scale vibration equipments will not be permitted to move into the Leased building.

6.3 The Lessor agrees not to install any gas station and any gas generation facilities or sites in the leased building and its surroundings.

6.4 If the Lessee delays the payment of rents or other fees payable, aside from making such payments, the Lessee shall pay a default fee in the amount of 3 per cent of the total overdue payment per overdue day. If the payment delay exceeds 20 (including 20) days, the Lessor may unilaterally cut off the energy supply.

6.5 Upon termination or expiration of the Lease, if the Lessee delays in surrendering the Leased Premise to the Lessor, the Lessee shall pay a default fee in the amount of 3 times of the daily rent per overdue day. If the delay exceeds 30 business days, the Lessee will be considered giving up ownership over all its belongings in the Leased Premise, consenting to the Lessor's disposition of such belongings, and surrendering the Leased Premise to the Lessor, except in the events stipulated in article 5.2 and 5.3.

6.6 If the Lessor fails to fulfill its obligations in the Lease, the Lessor shall remedy the situation in accordance with the service standards, and shall be held liable for any loss caused to the Lessee.

6.7 If the Lessee fails to comply with relevant laws, regulations or the Lessor's relevant management rules, the Lessee shall be held liable for compensating any loss caused to the Lessor or other tenants.

Article 7 Others

7.1 Without the Lessor's prior written consent, the Lessee shall not sublease the Leased Premise.

Within the Lease term, if the Lessee experiences any reorganization, rename, or, if there is a need for the JV companies or the affiliates of the Lessee to use the Leased Premise, the Lessee shall submit a written notice to the Lessor one month in advance; and on the condition of the Lessor's written consent for sublease and that the Lessee and the sub-lessee both agree to be held jointly and severally liable for the new lease, a sublease can be made as a supplemental agreement to this Lease.

During the term of the Lease, if any projects or any affiliates of the Lessee need to use Building B28 as registered office, the Lessor agrees to provide no more than Five affiliates of the Lessee, free of charge, with services relating to the registration with the Industrial and Commercial Bureau for incorporation of new companies. If the affiliates or projects that requires registration are more than five in numbers, the Lessor will charge the Lessee RMB 5,000 for each of such newly registered companies, and the Lessee shall be held liable thereby.

7.2 During the term of the Lease, the Lessor shall provide property management services to the Lessee in accordance with "Property Management Services and Standards" (see Exhibit 4).

7.3 During the term of the Lease, the Lessor shall provide electricity, running water and heating supply in accordance with the written standards requested by the Lessee and approved by the Lessor, the rates are as follows:

(1) Electricity supply:

There are currently two rates:

A. Peak demand, off-peak demand, and low demand rates (RMB/KWh)

Top Peak demand period: 1.2091

Peak demand period: 1.1280

Off-peak demand period: 0.8470

Low demand period: 0.5822

Note: According to the regulations of the Electricity Supply Bureau: From July to September, the electricity is charged depending on different demand periods. In other time of the year, the electricity is charged at the rate of peak demand period. If the Electricity Supply Bureau adjusts the rates, the actual charges will be adjusted too.

B. Basic electricity supply fees: 26 RMB/KVA per month (according to the capacity of the transformer used by the Lessee)

(2) Water supply rate: 7.93 RMB/cubic meter.

(3) Winter heating fees: 35 RMB/square meter • heating season (from November 15 to March 15).

7.3 The Lessor adjusts the electricity distribution within the Area according to the Lessee’s actual consumption of electricity. Furthermore, the parties shall explore new modes of cooperation in electricity development on the basis of mutual benefits.

7.4 The expenses for water and electricity supply in public wash rooms shall be shared in proportion to the acreage of the Lessee’s Leased Premise.

7.5 If the Lessor receives any notice from the electricity supply company regarding electricity failure, the Lessor shall immediately notify the Lessee, which should be in no event later than 30 minutes after receiving the notice.

7.6 Within the Lease term, the Lessor shall provide parking area close by for the Lessee, the rate shall be 200 RMB/parking lot • month, but the Lessor shall not be held liable for any loss arises thereby, except for the loss caused by the Lessor's proved intentional conduct.

7.7 If the Lessee has any other needs regarding house cleaning, security, greenery; parking lots; underground communication switches and mails, please negotiate with the Lessor and enter into separate agreements.

7.8 A notice of all the electricity, water and heating charges for each month shall be sent to the Lessee at the end of each month, and the Lessee shall make full payment of such charges within 5 days after receiving such notice (prepayment of heating fees shall be made in November each year). Should there be any delay in such payment, in accordance with article 6 sub 4 of this Lease, the Lessor has the rights to cut off electricity, water and heating supply of the Lessee.

7.9 During the term of the Lease, if the government or supply companies adjust the rates for electricity, water or heating, the forgoing rates shall be adjusted accordingly.

7.10 Within the Lease term, if there is any vacant space in B28, under the same conditions, the Lessee has the priority rights to lease the vacant space.

7.11 Within the Lease term, if BOE Technology Group intends to transfer the Leased Premise, under the same conditions, the Lessee has the right of first refusal.

Article 8 Dispute Resolution

If a dispute regarding this Lease can not be solved through consultations, either Party may submit the dispute to Beijing Arbitration Committee for arbitration in accordance with applicable arbitration rules.

Article 9 Outstanding Issues

With respect to any outstanding issues related to this Lease, in accordance with the Urban Real Estate Administration Law of People's Republic of China, the parties may enter into supplemental agreements, which shall have the same legal force as this Lease.

Article 10 Validity of the Lease

This Lease shall be executed in six counterparts, with the Lessor holding 4 copies and the Lessee holding 2 copies. The lease shall be effective upon execution and seal by the representatives of both parties.

Lessor: BOE Estate Management Division (company seal)

Legal Representative: /s/ Ming Cai

Date: April 30, 2010

Lessee: Beijing 21Vianet Broad Band Data Center Co., Ltd. (company seal)

Legal Representative: /s/ authorized representative

Date:

Exhibit 1 Leased Premise Schematic Diagram

Exhibit 3

Safety Management Agreement

Party A (the Lessor): BOE Estate Management Division

Party B (the Lessee): Beijing 21Vianet Broad Band Data Center Co., Ltd.

Term: from May 1st, 2010 to April 30, 2015

In order to protect the personal and property safety of all the clients and employees in the area, and to create a safe, harmonious, and green working and living environment, in accordance with the Production Safety Law of People's Republic of China, Party A and Party B hereby enter into the following agreement after friendly negotiation.

1. Both parties shall comply with the Fire Prevention Law of People's Republic of China, the Production Safety Regulations of Beijing, the Provisional Regulations on Check and Control of Hidden Risk Related to Production Accidents, the Fire prevention Administrative Rules for Organization, Enterprise and Institution, the Security Administrative Rules for Organization, Enterprise and Institution of Beijing Chaoyang District, and other relevant rules and regulations of the state and rules and regulations of Party A regarding security management of the science and technology area.

2. Party A has given a detailed introduction about the area to Party B before entering in to a Lease, especially rules and requirements regarding safety management in the Area; Party B has promised to comply with all these rules and requirements.

3. Party A shall improve information communication with Party B in respect of safety, and assist with Party B's familiarity with updated laws and regulations of the state.

4. On the condition that Party B provides access and egress, Party A shall be in charge of an annual inspection and test of all the tubes and valves of the fire hydrants in interior walls, and the maintenance, repair and renewal of the above mentioned facilities; the inspection results shall be submitted to Party B in the form of report.

5. The safety management department of Party A has the rights to inspect and examine fire prevention, security and check and control of hidden risks conditions of the Party B, and suggest in improvements.

6. Party B shall be responsible for the operation, production safety, fire prevention, security, traffic and environment protection issues within the Leased Premise or areas for its exclusive use. A monitor and management system for hidden risks shall be established, relevant rules and regulations shall be implemented and a liability system shall be established.

7. Party B shall install adequate and qualified fire prevention equipments and facilities, fire prevention signs and emergency lighting within the Leased Premise or areas for its exclusive use; carry out routine maintenance and annual inspection, and ensuring the good status of fire prevention equipments and facilities.

8. Party B shall carry out inspection, maintenance and renewal of the fire hydrants within the Leased Premise or areas for its exclusive use, and designate a person to be in charge of record keeping.

9. Party B shall ensure that, within the Leased Premise or areas for its exclusive use, all the emergency access and egress are unimpeded and all the fire prevention equipments and facilities are in good condition.

10. Party B shall not alter, cover or disable any fire prevention facilities in within the Leased Premise or areas for its exclusive use.

11. Party B shall instruct all its visitors about traffic safety rules of the area; maximum speed of motor vehicles shall not exceed 15 kilometers/hour; motor vehicles shall take the initiative to yield to the pedestrians, park at designated lots, and follow instructions of security.

12. Party B shall not alter any supplemental facilities within the Leased Premise or areas for its exclusive use (such as water, electricity, gas, and heating supply and fire prevention equipments), if there is any special needs, approval from the business division of the Area shall be obtained.

13. Before carrying out renovation or alteration of the Leased Premise, a plan needs to be made by a qualified designer, approval needs to be obtained from the business division of the Area, and relevant registrations need to be made with relevant government agencies, and filing with the security division of BOE Technology Group for record sake is needed. If use of fire or electric solder is needed, a certificate needs to be obtained from the security division of BOE Technology Group.

14. If any ground breaking is needed (e.g. trenching), an approval from the business division of the area needs to be obtained, and care needs to be exercised not to harm any construction workers, or cause damages to underground cables, tubes or sewage system.

15. Party B's operations (such as business operation, construction and logistics) in the area shall not interfere with the normal working and living environment of other tenants, or destroy the surrounding and greenery (noise, vibration, odor and dust emission shall comply with the national standards). Industrial wastewater needs to be processed to meet standards before emission; industrial waste shall not dispose within the area.

16. Night crew of security needs to be employed by the Party B for emergency.

17. If Party B intends to install any special purpose equipments within the Leased Premise or areas for its exclusive use, relevant rules and regulations of the State Bureau of Quality and Technical Supervision need to be complied with.

18. In case of any inconsistency between this agreement and the applicable laws and regulations, the laws and regulations shall prevail.

Exhibit 4 Property Management Services and Standards

The property management team has a 24 hours customer service center that deals with customer inquiries, complaints and information feedbacks. The office of the property management team is situated on the 2nd floor of Building B28. Tel: 59756555

The property management team is responsible for

(i) Timely cleaning of public areas and facilities.

(ii) Timely collection of garbage and disposition.

(iii) Maintenance and management of the greenery in the public area, in accordance with the advanced standards of Beijing city.

(iv) Maintenance and management of public facilities.

(v) 24 hours monitor of the public area, 24 hours securities for all accesses and egresses, and 24 hours patrol in the public areas (including buildings).

(vi) Regular inspection and maintenance of fire prevention facilities, and provide training and exercise to fire prevention personnel.

(vii) 24 hours monitor of the smoke detecting system in the buildings (including the Leased areas), alarming tenants and report of incidents to the police in a timely manner. Tenants shall verify and handle risks when receiving alarms, and report back to customer service center.

(viii) Management of traffic, setting up necessary signs and ensuring smooth traffic; and management of parking area.

(ix) Renew and upgrade various signs and designations.

(x) Coordination of relationships among tenants.

Exhibit 10.21

Premise Lease Contract

Lessor: BOE Estate Management Division

Address: No. 10, Jiuxianqiao Road, Chaoyang District, Beijing

Legal Representative: Dongsheng Wang

Tel: 59756582

Fax: 59756570

Lessee: Beijing 21Vianet Broad Band Data Center Co., Ltd.

Address: No. 10, Jiuxianqiao Road, Chaoyang District, Beijing

Legal representative: Shen Chen

Tel: 84562121

Fax: 84564234

WHEREAS,

1. The Lessee has previously entered into a premise lease agreement with Lessor, which has expired.

2. The Lessee intends to renew the lease.

Pursuant to the Contract Law of People's Republic of China, the Urban Real Estate Administration Law of People's Republic of China and other related rules and regulations, for the sake of clarity with respect to the rights and obligations of each party, after friendly negotiations, the parties hereto have reached the following agreement (the "**Agreement**") regarding the lease of the Lessor's self-owned premise (the "**Leased Premise**") on the basis of equality and mutual benefits.

3. After friendly negotiation, the Lessor agrees to provide the Lessee with electricity, water and heat (in winter), and the parties have entered into the following agreement:

Article 1: The Leased Premise and Delivery

1.1 The Leased Premise is situated at No. 10, Jiuxianqiao Road, Chaoyang District, Beijing (Building B28, Floor 2 and the Floor 2, 3 of its affiliated building).

1.2 The construction area of the Leased Premise is 4,371 square meters (including pool area) (inspected and confirmed by both parties).

1.3 The designated use of the Leased Premise: IDC data center and office.

1.4 Please refer to the exhibit for the current status of the Leased Premise and affiliated facilities (including office furniture).

1.5 The Lessor warrants that the quality of energy supply meets the relevant national and industrial standards.

Article 2 Lease term

2.1 The lease term is 3 years, from September 1, 2008 to August 31, 2011. The calculation of rent starts on September 1, 2008.

2.2 Upon expiration of lease term, the Lessee may notify the Lessor of its intention for renewal one month in advance. The Lessee shall be given priority to renew the Lease under same conditions. A new lease shall be entered into in the event of renewal

Article 3 Rent and Payment

3.1 Within 3 days after the execution of the Lease, the Lessee shall pay to the Lessor a deposit in the amount of RMB 300,000. Upon expiration or termination of the Lease, the deposit, after offsetting relevant overdue payments or other accounts payable by the Lessee, shall be returned to the Lessee (net of interests).

3.2 The rent of the Leased Premise is RMB 68/m²/day, and the property management fees are RMB 5/m²/day, with the total monthly rent being RMB 297,228 and monthly property management fees being RMB 21,855, of which the lump sum is RMB 319,083.

3.3 The rent shall be paid monthly, and the Lessee shall clear all the monthly payment outstanding before the fifth date of each month (if it is a holiday, before the date after holiday). The Lessor shall issue an invoice in accordance with relevant rules and regulations.

Article 4 Renovation and Repair of the Leased Premise

4.1 The Lessee may renovate the Leased Premise at its own expenses, however, before the renovation, the Lessor has the right to review the renovation proposal. A written approval needs to be obtained from the Lessor if the renovation involves building structure and fire prevention facilities.

4.2 The Lessee shall obtain all the necessary approvals for the renovation in accordance with applicable rules and regulations (the Lessor shall assist), and submit a copy of all the regulatory approvals from governmental agencies to the Lessor for record sake.

4.3 The Lessee shall enter into a “Renovation Safety Agreement” with the Lessor, and go through all the procedures necessary with the Lessor’s safety management department.

4.4 The Lessor shall be responsible for the maintenance and upgrade of the original building structure, exterior, exterior windows and doors (excluding glasses) and the inspection and renovation of supplemental facilities of the property(however, the Lessee is responsible if the Lessee causes damages to any of the forgoing); the Lessees shall be responsible for the maintenance of the Leased Premise and its supplemental facilities. If the Lessor fails to repair the facilities that the Lessor is responsible for, which leads to constructive events that cause monetary loss or personal injury or death to the Lessee, the Lessor shall be held liable. If the Lessee fails to repair the properties and facilities that the Lessee is responsible for, the Lessee shall be held liable for whatever loss caused thereby.

4.5 The Lessee shall use the Leased Premise and its supplemental facilities with reasonable care, and shall not dismantle, change or expand the property or set up advertisement or other installation on the exterior. If needed, a prior written consent shall be obtained from the Lessor. In case of any damages done to the Leased Premise due to inappropriate use by the Lessee, the Lessee shall be held liable for repair or compensation. The Lessee shall take care of the Lease property and its facilities, if any problem or danger is detected in respect of the areas that the Lessor is responsible for, the Lessee shall notify the Lessor in a timely manner, with an aim to solve the problem in time.

Article 5 Termination of the Agreement

5.1 In the event that this Lease cannot continue to be performed because of damage to the Leased Premise by force majeure, this Lease shall terminate; and both parties are released from obligations therein.

5.2 Within the term of the Lease, in the event of government planning or government request for demolitions (relevant documents shall be shown to the Lessee by the Lessor) of the Leased Premise, the Lessor shall notify the Lessee in writing when relevant information is available, and to the extent permitted by government, make best efforts to get turnaround time for the Lessee. In the case of the forgoing conditions, this Lease is terminated on the expiry date of the turnaround time granted by government, the Lessor is obliged to alleviate the loss of the Lessee, however, the Lessor is not obliged to compensate the Lessee.

5.3 Within the term of the Lease, in the event of central planning by the BOE Technology Group, which requires demolitions of the Leased Premise, the Lessor shall notify the Lessee in writing 3 months in advance. In this case, a reasonable turnaround time shall be designated by the lessor in writing and shall be no less than 2 months and no more than 5 months. Under the forgoing conditions, this Lease will do terminated on the expiry date of the turnaround time designated by the Lessor. The Lessor shall make reasonable compensation to the Lessee in an amount of 3 months rent.

Within the term of the Lease, if the Lessee wish to terminate the Lease in advance, the Lessee shall make reasonable compensation to the Lessor in an amount according to the last paragraph.

5.4 Within the Lease term, if there is a need for companies under the Lessee's control or the affiliates of the Lessee to use part of the Leased Premise, the Lessee shall negotiate with the Lessor one month in advance; and on the condition of the Lessor's written consent for sublease and that the Lessee and the sub-lessee agree to be held jointly and severally liable for the new lease, a sublease can be made as a supplemental agreement to this Lease. The Lessor will charge the Lessee RMB 5,000 for each of such sublease.

5.5 In the event of the followings, the Lessor may unilaterally terminate the Lease:

(1) without the consent of the Lessor, the Lessee transfers, subleases or lends the Leased Premise;

(2) the Lessee dismantles or alters the building structure or the exterior, or alters the use of the Leased Premise, or operates business in a way violating the Lease;

(3) delay in payment of rent or other fees payable (not in full payment) for more than 30 days;

(4) the Lessee carries out any illegal activities in the Leased Premise;

(5) the Lessee's conduct violates any relevant standards, regulations, and caused material adverse effects to the environment surrounding the Leased Premise or other tenants;

(6) the Lessee emits excessive pollution (gas, sewage, dust, vibration, noise, etc); or even though the emission is not excessive, the emission has affected the normal life and work of other tenants; and the Lessee fails to remedy the effects upon the Lessor's written request for remedy.

5.6 Upon termination or expiration of the Lease, the Lessee shall remove all its belongings within the turnaround time designated by the Lessor; in the absence of a designated turnaround time, the Lessee shall remove all its belongings within 7 business days after the expiration or termination date of the Lease, surrender the Leased Premise to the Lessor, and pay off all the outstanding rent, default fees and other fees payable. If the Lease is terminated according to Article 5 (3) of the Lease, the Lessor shall pay to the Lessee a compensation within 7 days after the Lessee's surrender of the Leased Premise.

Article 6 Liabilities

6.1 The Lessee shall comply with the Lessor's "Safety Management Agreement" (see Exhibit 3) and the relevant property management regulations, and shall be solely responsible for production safety (operation), fire prevention, security, traffic, energy saving, water saving and environmental protection, and shall be held liable for any loss that may thereby arise.

6.2 If the Lessee delays the payment of rents or other fees payable, aside from making such payments, the Lessee shall pay a default fee in the amount of 3 per cent of the total overdue payment per overdue day.

6.3 Upon termination or expiration of the Lease, if the Lessee delays in surrendering the Leased Premise to the Lessor, the Lessee shall pay a default fee in the amount of 3 times of the daily rent per overdue day. If the delay exceeds 30 business days, the Lessee will be considered giving up ownership over all its belongings in the Leased Premise, consenting to the Lessor's disposition of such belongings, and surrendering the Leased Premise to the Lessor, except in the events stipulated in article 5 sub 2 and 3.

Article 7 Others

7.1 During the term of the Lease, the Lessor shall provide property management services to the Lessee in accordance with "Property Management Services and Standards" (see Exhibit 4).

7.2 During the term of the Lease, the Lessor shall provide electricity, running water and heating supply in accordance with the written standards requested by the Lessee and approved by the Lessor. A "Energy Supply Agreement" shall be signed by the Lessee and the Lessor.

7.3 The Lessor agrees to provide the Lessee with a 3-hole tube bundle telecommunication channel, of which the total length is 1.25 km, and charges RMB 30,000 per hole per year annually, and an annual base fee of RMB 37,500 (divided to monthly fee of RMB 3,125 to be paid monthly with rent).

A direct telephone line maintenance fee of RMB 60 per month per line, and an elevator fee of RMB662.54 per month shall be paid by the Lessee to the Lessor along with energy supply fee every month.

7.4 Within the Lease term, the Lessor shall provide parking area close by for the Lessee, the rate shall be 200 RMB/parking lot /month; 5 parking lot shall be provided.

Article 8 Dispute Resolution

If a dispute regarding this Lease can not be solved through consultations, either Party may submit the dispute to Beijing Arbitration Committee for arbitration in accordance with applicable arbitration rules.

Article 9 Outstanding Issues

With respect to any outstanding issues related to this Lease, in accordance with the Urban Real Estate Administration Law of People's Republic of China, the parties may enter into supplemental agreements, which shall have the same legal force as this Lease.

Article 10 Validity of the Lease

This Lease shall be executed in six counterparts, 4 of which shall be held by the Lessor and 2 of which shall be held by the Lessee. The lease shall be effective upon being executed and affixed with seal by the representatives of both parties.

Lessor: BOE Estate Management Division

Representative: /s/ Ming Cai

Date: August 12, 2009

Lessee: Beijing 21Vianet Broad Band Data Center Co., Ltd.

Legal Representative: /s/ authorized representative

Date: August 11, 2009

Exhibit

Safety Management Agreement

Party A (the Lessor): BOE Estate Management Division

Party B (the Lessee): Beijing 21Vianet Broad Band Data Center Co., Ltd.

Term:

In order to protect the personal and property safety of all the clients and employees in the area, and to create a safe, harmonious, and green working and living environment, in accordance with the Production Safety Law of People's Republic of China, Party A and Party B hereby enter into the following agreement after friendly negotiation.

1. Both parties shall comply with the Fire Prevention Law of People's Republic of China, the Production Safety Regulations of Beijing, the Provisional Regulations on Check and Control of Hidden Risk Related to Production Accidents, the Fire prevention Administrative Rules for Organization, Enterprise and Institution, the Security Administrative Rules for Organization, Enterprise and Institution of Beijing Chaoyang District, and other relevant rules and regulations of the state and rules and regulations of Party A regarding security management of the science and technology area.

2. Party A has given a detailed introduction about the area to Party B before entering in to a Lease, especially rules and requirements regarding safety management in the Area, and Party B has promised to comply with all these rules and requirements.

3. Party A shall improve information communication with Party B in respect of safety, and assist with Party B's familiarity with updated laws and regulations of the state.

4. On the condition that Party B provides access and egress, Party A shall be in charge of an annual inspection and test of all the tubes and valves of the fire hydrants in interior walls, and the maintenance, repair and renewal of the above mentioned facilities; the inspection results shall be submitted to Party B in the form of report.

5. The safety management department of Party A has the rights to inspect and examine fire prevention, security and check and control of hidden risks conditions of the Party B, and suggest in improvements.

6. Party B shall be responsible for the operation, production safety, fire prevention, security, traffic and environment protection issues within the Leased Premise or areas for its exclusive use. A monitor and management system for hidden risks shall be established, relevant rules and regulations shall be implemented and a liability system shall be established.

7. Party B shall install adequate and qualified fire prevention equipments and facilities, fire prevention signs and emergency lighting within the Leased Premise or areas for its exclusive use; carry out routine maintenance and annual inspection, and ensuring the good status of fire prevention equipments and facilities.

8. Party B shall carry out inspection, maintenance and renewal of the fire hydrants within the Leased Premise or areas for its exclusive use, and designate a person to be in charge of record keeping.

9. Party B shall ensure that, within the Leased Premise or areas for its exclusive use, all the emergency access and egress are unimpeded and all the fire prevention equipments and facilities are in good condition.

10. Party B shall not alter, cover or disable any fire prevention facilities in within the Leased Premise or areas for its exclusive use.

11. Party B shall instruct all its visitors about traffic safety rules of the area; maximum speed of motor vehicles shall not exceed 15 kilometers/hour; motor vehicles shall take the initiative to yield to the pedestrians, park at designated lots, and follow instructions of security.

12. Party B shall not alter any supplemental facilities within the Leased Premise or areas for its exclusive use (such as water, electricity, gas, and heating supply and fire prevention equipments), if there is any special needs, approval from the business division of the Area shall be obtained.

13. Before carrying out renovation or alteration of the Leased Premise, a plan needs to be made by a qualified designer, approval needs to be obtained from the business division of the Area, and relevant registrations need to be made with relevant government agencies, and filing with the security division of BOE Technology Group for record sake is needed. If use of fire or electric solder is needed, a certificate needs to be obtained from the security division of BOE Technology Group.

14. If any ground breaking is needed (e.g. trenching), an approval from the business division of the area needs to be obtained, and care needs to be exercised not to harm any construction workers, or cause damages to underground cables, tubes or sewage system.

15. Party B’s operations (such as business operation, construction and logistics) in the area shall not interfere with the normal working and living environment of other tenants, or destroy the surrounding and greenery (noise, vibration, odor and dust emission shall comply with the national standards). Industrial wastewater needs to be processed to meet standards before emission; industrial waste shall not dispose within the area.

16. Night crew of security needs to be employed by the Party B for emergency.

17. If Party B intends to install any special purpose equipments within the Leased Premise or areas for its exclusive use, relevant rules and regulations of the State Bureau of Quality and Technical Supervision need to be complied with.

18. In case of any inconsistency between this agreement and the applicable laws and regulations, the laws and regulations shall prevail.

Exhibit 21.1

List of Subsidiaries

Subsidiaries	**Jurisdiction of Incorporation**
21Vianet Group Limited	Hong Kong
21Vianet Data Center Company Limited	PRC
Variable Interest Entities	
Beijing aBitCool Network Technology Co., Ltd.	PRC
Beijing 21Vianet Broad Band Data Center Co., Ltd.	PRC
21Vianet (Xi'an) Information Outsourcing Industry Park Services Co., Ltd.	PRC
Shanghai Wantong 21Vianet Information Technology Co., Ltd.	PRC
Zhiboxintong (Beijing) Network Technology Co., Ltd.	PRC
Beijing Chengyishidai Network Technology Co., Ltd.	PRC

Exhibit 23.1

Consents of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption “Experts” and to the use of our report dated March 1, 2011 (except for Note 26(d) as to which the date is April 4, 2011), with respect to the consolidated financial statements of 21Vianet Group, Inc., included in the Registration Statement (Form F–1) and the related Prospectus of 21Vianet Group, Inc. for the registration of its ordinary shares.

We also consent to the use of our report dated December 17, 2010, with respect to the combined financial statements of Beijing Chengyishidai Network Technology Co., Ltd and Zhiboxintong Beijing Network Technology Co., Ltd, also included in this Registration Statement (Form F–1) and the related Prospectus of 21Vianet Group, Inc.

/s/ Ernst & Young Hua Ming
Shanghai, the People’s Republic of China
April 4, 2011

Exhibit 23.4

WRITTEN CONSENT OF KING & WOOD

April 4, 2011
21Vianet Group, Inc.
M5, 1 Jiuxianqiao East Road,
Chaoyang District,
Beijing 100016,
People's Republic of China

Ladies and Gentlemen:

We hereby consent to (i) the use of our name under the captions "Risk Factors" "Our Corporate History and Structure," "Enforceability of Civil Liabilities," "Regulation", "Taxation" and "Legal Matters" to the extent they constitute matters of PRC law, in the registration statement on Form F-1 dated the date hereof (the "Registration Statement") filed by 21Vianet Group, Inc. (the "Company") with the U.S. Securities and Exchange Commission, and (ii) the filing of this letter as an exhibit to the Registration Statement, each as such Registration Statement may be amended or supplemented from time to time subsequent to the date hereof, whether before or after its effectiveness.

Our offices are located at 40th Floor, Office Tower A, Beijing Fortune Plaza, 7 Dongsanhuan Zhonglu, Chaoyang District, Beijing 100020, People's Republic of China.

Very truly yours,

/s/ King & Wood
King & Wood

Exhibit 23.5

March 17, 2011

21Vianet Group, Inc.
M5, 1 Jiuxianqiao East Road,
Chaoyang District
Beijing 100016, the People's Republic of China
(86 10) 8456-2121

Ladies and Gentlemen:

Pursuant to Rule 438 under the Securities Act of 1933, as amended, I hereby consent to the reference of my name as a director of 21Vianet Group, Inc. (the "Company"), effective immediately upon the effectiveness of the Company's registration statement on Form F-1 originally filed by the Company on December 17, 2010 with the U.S. Securities and Exchange Commission.

Sincerely yours,

/s/ Terry Wang

Terry Wang

21VIANET GROUP, INC.
CODE OF BUSINESS CONDUCT AND ETHICS

(Adopted by the Board of Directors of
21Vianet Group, Inc. on February 25, 2011, effective upon the effectiveness of the Company's
Registration Statement on
Form F-1 relating to the Company's initial public offering)

I. PURPOSE

This Code of Business Conduct and Ethics (the "Code") contains general guidelines for conducting the business of 21Vianet Group, Inc., a Cayman Islands company, and its subsidiaries and affiliate entity (collectively, the "Company") consistent with the highest standards of business ethics, and is intended to qualify as a "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder. To the extent this Code requires a higher standard than required by commercial practice or applicable laws, rules or regulations, we adhere to these higher standards.

This Code is designed to deter wrongdoing and to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, the U.S. Securities and Exchange Commission (the "SEC") and in other public communications made by the Company;
- compliance with applicable laws, rules and regulations;
- prompt internal reporting of violations of the Code; and
- accountability for adherence to the Code.

II. APPLICABILITY

This Code applies to all directors, officers and employees of the Company, whether they work for the Company on a full-time, part-time, consultative or temporary basis (each, an "employee" and collectively, the "employees"). Certain provisions of the Code apply specifically to our chief executive officer, chief financial officer, senior finance officer, controller, vice presidents and any other persons who perform similar functions for the Company (each, a "senior officer," and collectively, the "senior officers").

The Board of Directors of the Company (the "Board") has appointed , the Company's , as the Compliance Officer for the Company (the "Compliance Officer"). If you have any questions regarding the Code or would like to report any violation of the Code, please call the Compliance Officer at or e-mail him at .

III. CONFLICTS OF INTEREST

Identifying Conflicts of Interest

A conflict of interest occurs when an employee's private interest interferes, or appears to interfere, in any way with the interests of the Company as a whole. An employee should actively avoid any private interest that may impact such employee's ability to act in the interests of the Company or that may make it difficult to perform the employee's work objectively and effectively. In general, the following should be considered conflicts of interest:

- Competing Business. No employee may be employed by a business that competes with the Company or deprives it of any business.
- Corporate Opportunity. No employee should use corporate property, information or his or her position with the Company to secure a business opportunity that would otherwise be available to the Company. If an employee discovers a business opportunity that is in the Company's line of business through the use of the Company's property, information or position, the employee must first present the business opportunity to the Company before pursuing the opportunity in your individual capacity.
- Financial Interests.
    - (i) No employee may have any financial interest (ownership or otherwise), either directly or indirectly through a spouse or other family member, in any other business or entity if such interest adversely affects the employee's performance of duties or responsibilities to the Company, or requires the employee to devote time to it during such employee's working hours at the Company;
    - (ii) No employee may hold any ownership interest in a privately held company that is in competition with the Company;
    - (iii) An employee may hold up to 5% ownership interest in a publicly traded company that is in competition with the Company; provided that if the employee's ownership interest in such publicly traded company increases to more than 5%, the employee must immediately report such ownership to the Compliance Officer;

(iv) No employee may hold any ownership interest in a company that has a business relationship with the Company if such employee's duties at the Company include managing or supervising the Company's business relations with that company; and

(v) Notwithstanding the other provisions of this Code,

(a) a director or any immediate family member of such director (collectively, "Director Affiliates") or a senior officer or any immediate family member of such senior officer (collectively, "Officer Affiliates") may continue to hold his or her investment or other financial interest in a business or entity (an "Interested Business") that:

(1) was made or obtained either (x) before the Company invested in or otherwise became interested in such business or entity; or (y) before the director or senior officer joined the Company (for the avoidance of doubt, regardless of whether the Company had or had not already invested in or otherwise become interested in such business or entity at the time the director or senior officer joined the Company); or

(2) may in the future be made or obtained by the director or senior officer, provided that at the time such investment or other financial interest is made or obtained, the Company has not yet invested in or otherwise become interested in such business or entity;

provided that such director or senior officer shall disclose such investment or other financial interest to the Board;

(b) an interested director or senior officer shall refrain from participating in any discussion among senior officers of the Company relating to an Interested Business and shall not be involved in any proposed transaction between the Company and an Interested Business; and

(c) before any Director Affiliate or Officer Affiliate (i) invests, or otherwise acquires any equity or other financial interest, in a business or entity that is in competition with the Company; or (ii) enters into any transaction with the Company, the related director or senior officer shall obtain prior approval from the Audit Committee of the Board.

For purposes of this Code, a company or entity is deemed to be "in competition with the Company" if it competes with the Company's business of providing data center services and/or any other business in which the Company is engaged.

- Loans or Other Financial Transactions. No employee may obtain loans or guarantees of personal obligations from, or enter into any other personal financial transaction with, any company that is a material customer, supplier or competitor of the Company. This guideline does not prohibit arms-length transactions with recognized banks or other financial institutions.

- Service on Boards and Committees. No employee shall serve on a board of directors or trustees or on a committee of any entity (whether profit or not-for-profit) whose interests could reasonably be expected to conflict with those of the Company. Employees must obtain prior approval from the Board before accepting any such board or committee position. The Company may revisit its approval of any such position at any time to determine whether an employee's service in such position is still appropriate.

The above is in no way a complete list of situations where conflicts of interest may arise. The following questions might serve as a useful guide in assessing a potential conflict of interest situation not specifically addressed above:

- Is the action to be taken legal?
- Is it honest and fair?
- Is it in the best interests of the Company?

Disclosure of Conflicts of Interest

The Company requires that employees fully disclose any situations that could reasonably be expected to give rise to a conflict of interest. If an employee suspects that he or she has a conflict of interest, or a situation that others could reasonably perceive as a conflict of interest, the employee must report it immediately to the Compliance Officer. Conflicts of interest may only be waived by the Board, or the appropriate committee of the Board, and will be promptly disclosed to the public to the extent required by law and applicable rules of the Nasdaq Global Market.

Family Members and Work

The actions of family members outside the workplace may also give rise to conflicts of interest because they may influence an employee's objectivity in making decisions on behalf of the Company. If a member of an employee's family is interested in doing business with the Company, the criteria as to whether to enter into or continue the business relationship and the terms and conditions of the relationship must be no less favorable to the Company compared with those that would apply to an unrelated party seeking to do business with the Company under similar circumstances.

Employees should report any situation involving family members that could reasonably be expected to give rise to a conflict of interest to their supervisor or the Compliance Officer. For purposes of this Code, "family members" or "members of employee's family" include an employee's spouse, siblings, parents, in-laws and children.

IV. GIFTS AND ENTERTAINMENT

The giving and receiving of appropriate gifts may be considered common business practice. Appropriate business gifts and entertainment are welcome courtesies designed to build relationships and understanding among business partners. However, gifts and entertainment should never compromise, or appear to compromise, an employee's ability to make objective and fair business decisions.

It is the responsibility of employees to use good judgment in this area. As a general rule, employees may give or receive gifts or entertainment to or from customers or suppliers only if the gift or entertainment is in compliance with applicable law, insignificant in amount and not given in consideration or expectation of any action by the recipient. All gifts and entertainment expenses made on behalf of the Company must be properly accounted for on expense reports.

We encourage employees to submit gifts received to the Company. While it is not mandatory to submit small gifts, gifts of over RMB200 must be submitted immediately to the administration department of the Company.

Bribes and kickbacks are criminal acts, strictly prohibited by law. An employee must not offer, give, solicit or receive any form of bribe or kickback anywhere in the world.

V. FCPA COMPLIANCE

The U.S. Foreign Corrupt Practices Act ("FCPA") prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. A violation of FCPA does not only violate the Company's policy but also constitute a civil or criminal offense under FCPA which the Company is subject to after the Effective Time. No employee shall give or authorize directly or indirectly any illegal payments to government officials of any country. While the FCPA does, in certain limited circumstances, allow nominal "facilitating payments" to be made, any such payment must be discussed with and approved by an employee's supervisor in advance before it can be made.

VI. PROTECTION AND USE OF COMPANY ASSETS

Employees should protect the Company's assets and ensure their efficient use for legitimate business purposes only. Theft, carelessness and waste have a direct impact on the Company's profitability. Any use of the funds or assets of the Company, whether for personal gain or not, for any unlawful or improper purpose is strictly prohibited.

To ensure the protection and proper use of the Company's assets, each employee should:

- Exercise reasonable care to prevent theft, damage or misuse of Company property;

- Promptly report any actual or suspected theft, damage or misuse of Company property;
- Safeguard all electronic programs, data, communications and written materials from unauthorized access; and
- Use Company property only for legitimate business purposes.

Except as approved in advance by the Chief Executive Officer or Chief Financial Officer of the Company, the Company prohibits political contributions (directly or through trade associations) by any employee on behalf of the Company. Prohibited political contributions include:

- any contributions of the Company's funds or other assets for political purposes;
- encouraging individual employees to make any such contribution; and
- reimbursing an employee for any political contribution.

VII. INTELLECTUAL PROPERTY AND CONFIDENTIALITY

- All inventions, creative works, computer software, and technical or trade secrets developed by an employee in the course of performing the employee's duties or primarily through the use of the Company's assets or resources while working at the Company shall be the property of the Company.
- Employees should maintain the confidentiality of information entrusted to them by the Company or its customers, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that might be of use to competitors, or harmful to the company or its customers, if disclosed.
- The Company maintains a strict confidentiality policy. During an employee's term of employment with the Company, the employee shall comply with any and all written or unwritten rules and policies concerning confidentiality and shall fulfill the duties and responsibilities concerning confidentiality applicable to the employee.
- In addition to fulfilling the responsibilities associated with his position in the Company, an employee shall not, without obtaining prior approval from the Company, disclose, announce or publish trade secrets or other confidential business information of the Company, nor shall an employee use such confidential information outside the course of his duties to the Company.

- Even outside the work environment, an employee must maintain vigilance and refrain from disclosing important information regarding the Company or its business, customers or employees.
- An employee's duty of confidentiality with respect to the confidential information of the Company survives the termination of such employee's employment with the Company for any reason until such time as the Company discloses such information publicly or the information otherwise becomes available in the public sphere through no fault of the employee.
- Upon termination of employment, or at such time as the Company requests, an employee must return to the Company all of its property without exception, including all forms of medium containing confidential information, and may not retain duplicate materials.

VIII. ACCURACY OF FINANCIAL REPORTS AND OTHER PUBLIC COMMUNICATIONS

Upon the completion of the IPO, the Company will be required to report its financial results and other material information about its business to the public and the SEC. It is the Company's policy to promptly disclose accurate and complete information regarding its business, financial condition and results of operations. Employees must strictly comply with all applicable standards, laws, regulations and policies for accounting and financial reporting of transactions, estimates and forecasts. Inaccurate, incomplete or untimely reporting will not be tolerated and can severely damage the Company and result in legal liability.

Employees should be on guard for, and promptly report, any possibility of inaccurate or incomplete financial reporting. Particular attention should be paid to:

- Financial results that seem inconsistent with the performance of the underlying business;
- Transactions that do not seem to have an obvious business purpose; and
- Requests to circumvent ordinary review and approval procedures.

The Company's senior financial officers and other employees working in the finance department have a special responsibility to ensure that all of the Company's financial disclosures are full, fair, accurate, timely and understandable. Any practice or situation that might undermine this objective should be reported to the Compliance Officer.

Employees are prohibited from directly or indirectly taking any action to coerce, manipulate, mislead or fraudulently influence the Company's independent auditors for the purpose of rendering the financial statements of the Company materially misleading. Prohibited actions include but are not limited to:

- issuing or reissuing a report on the Company's financial statements that is not warranted in the circumstances (due to material violations of U.S. GAAP, generally accepted auditing standards or other professional or regulatory standards);

- not performing audit, review or other procedures required by generally accepted auditing standards or other professional standards;
- not withdrawing an issued report when withdrawal is warranted under the circumstances; or
- not communicating matters required to be communicated to the Company's Audit Committee.

IX. COMPANY RECORDS

Accurate and reliable records are crucial to the Company's business and form the basis of its earnings statements, financial reports and other disclosures to the public. The Company's records are a source of essential data that guides business decision-making and strategic planning. Company records include, but are not limited to, booking information, payroll, timecards, travel and expense reports, e-mails, accounting and financial data, measurement and performance records, electronic data files and all other records maintained in the ordinary course of our business.

All Company records must be complete, accurate and reliable in all material respects. There is never an acceptable reason to make false or misleading entries. Undisclosed or unrecorded funds, payments or receipts are strictly prohibited. An employee is responsible for understanding and complying with the Company's record keeping policy. An employee should contact the Compliance Officer if he or she has any questions regarding the record keeping policy.

X. COMPLIANCE WITH LAWS AND REGULATIONS

Each employee has an obligation to comply with the laws of the cities, provinces, regions and countries in which the Company operates. This includes, without limitation, laws covering commercial bribery and kickbacks, copyrights, trademarks and trade secrets, information privacy, insider trading, offering or receiving gratuities, employment harassment, environmental protection, occupational health and safety, false or misleading financial information, misuse of corporate assets and foreign currency exchange activities. Employees are expected to understand and comply with all laws, rules and regulations that apply to their positions at the Company. If any doubt exists about whether a course of action is lawful, the employee should seek advice immediately from the Compliance Officer.

XI. DISCRIMINATION AND HARASSMENT

The Company is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment based on race, ethnicity, religion, gender, age, national origin or any other protected class. For further information, employees should consult the Compliance Officer.

XII. FAIR DEALING

Each employee should endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. None should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

XIII. HEALTH AND SAFETY

The Company strives to provide employees with a safe and healthy work environment. Each employee has responsibility for maintaining a safe and healthy workplace for other employees by following environmental, safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. Violence or threats of violence are not permitted.

Each employee is expected to perform his or her duty to the Company in a safe manner, not under the influence of alcohol, illegal drugs or other controlled substances. The use of illegal drugs or other controlled substances in the workplace is prohibited.

XIV. VIOLATIONS OF THE CODE

All employees have a duty to report any known or suspected violation of this Code, including any violation of laws, rules, regulations or policies that apply to the Company. Reporting a known or suspected violation of this Code by others will not be considered an act of disloyalty, but an action to safeguard the reputation and integrity of the Company and its employees.

If an employee knows of or suspects a violation of this Code, it is such employee's responsibility to immediately report the violation to the Compliance Officer, who will work with the employee to investigate his or her concern. All questions and reports of known or suspected violations of this Code will be treated with sensitivity and discretion. The Compliance Officer and the Company will protect the employee's confidentiality to the extent possible, consistent with the law and the Company's need to investigate the employee's concern.

It is the Company's policy that any employee who violates this Code will be subject to appropriate discipline, including termination of employment, based upon the facts and circumstances of each particular situation. An employee's conduct, if it does not comply with the law or with this Code, can result in serious consequences for both the employee and the Company.

The Company strictly prohibits retaliation against an employee who, in good faith, seeks help or reports known or suspected violations. An employee inflicting reprisal or retaliation against another employee for reporting a known or suspected violation will be subject to disciplinary action, including termination of employment.

XV. WAIVERS OF THE CODE

Waivers of this Code will be granted on a case-by-case basis and only in extraordinary circumstances. Waivers of this Code may be made only by the Board, or the appropriate committee of the Board, and may be promptly disclosed to the public if so required by applicable laws and regulations and rules of the Nasdaq Global Market.

XVI. CONCLUSION

This Code contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics. If employees have any questions about these guidelines, they should contact the Compliance Officer. We expect all employees to adhere to these standards. Each employee is separately responsible for his or her actions. Conduct that violates the law or this Code cannot be justified by claiming that it was ordered by a supervisor or someone in higher management positions. If an employee engages in conduct prohibited by the law or this Code, such employee will be deemed to have acted outside the scope of your employment. Such conduct will subject the employee to disciplinary action, including termination of employment.

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