

Hanoi, 20<sup>th</sup> March 2023



## Report of inspection Committee At Annual General Meeting of Shareholders 2023

Pursuant to:

- Law on Enterprises No. 59/2020/QH14 of National Assembly issued on 17/6/2020;
- Functions and Duty of Inspection Committee stipulated in the Charter on Organization and Operation of Global Data Service JSC (GDS);
- Resolution of Annual General Shareholders' Meeting 2022;
- Audited Financial Statement of 2022 by Ernst & Young (Vietnam) Ltd.;
- Documents regarding business operation of GDS.

### **I. Activities of Inspection Committee in 2022:**

Inspection Committee (IC) reports to General Shareholder Meeting on result of inspection and supervision all operation of GDS in 2022 as bellows:

1. Supervising the operation of Board of Management (BOM), Board of Director in managing and running the company to implement the duties and planes which were approved by SHM.
2. Checking and evaluating the audited Financial Statement of Company 2022.

The inspection was implemented in compliance with the Law on enterprises 2020 and Company Charter.

### **II. Inspecting result of Business Operation and Financial situation in 2022**

IC performed the inspection based on the data and documents providing by Company. IC agreed the Financial Statement of 2022 was audited by Ernst & Young (Vietnam) Ltd., The report reflected exactly the financial situation of GDS 2022, business result and cash flow during 1<sup>st</sup> January to 31<sup>st</sup> December 2022.



**a/ Result of business operation**

Unit: Mil. VND

ID	Criteria	Actual 2021	BP 2022	Actual 2022	Ratio of Actual/BP 2022	Ratio of 2022/2021
<b>I</b>	<b>Total Revenue</b>	<b>131,246</b>	<b>139,763</b>	<b>144,391</b>	<b>103%</b>	<b>110%</b>
1	Operating income	123,888	133,622	135,897	102%	110%
2	Financial income	7,359	6,141	8,482	138%	115%
3	Other income	0	-	12		
<b>II</b>	<b>Total cost</b>	<b>83,733</b>	<b>91,005</b>	<b>90,025</b>	<b>99%</b>	<b>108%</b>
1	Operating cost	70,416		75,166		
2	Selling cost	5,992		6,772		
3	Management cost	7,275		8,024		
4	Financial cost	50		63		
5	Other	0		0		
<b>III</b>	<b>Profit after tax</b>	<b>37,987</b>	<b>39,006</b>	<b>43,460</b>	<b>111.4%</b>	<b>114.4%</b>
1	Profit before tax	47,513	48,758	54,366	112%	
2	Operating P/L	47,513		54,354		
3	Other income	0.00		12.14		

(Source: Resolution of AGM 2022 and audited FS 2022 of GDS)

**\* Implementing the targets 2022 assigned by the AGM:**

Based on the audited Financial Statement, the business result of 2022 as bellows:

- **Revenue 2022:** Achieved 144.39 billion VND, 103% of the revenue plan and 110% of the actual revenue of 2021.
- **Profit after tax 2022:** Achieved 43.46 billion VND, increase 11.4% compared to plan and increase 14.4% compared to actual 2021.
- **Debt at 31<sup>st</sup> December 2022:**  

In 2022, the short-term receivables of customer increase 52.36% compared to 2021 (increasing from 14,222 million VND to 21,669 million VND). The other short-term receivables increase slightly (12.31%) compared to 2021, increase from 3,864 million VND to 4,341 million VND.
- In 2022, **the provision for short-term doubtful debts** is 536,725,839 VND keep unchanged. This is for receivable dept of NCS Technology JSC with amount of 536,725,839 VND which has been overdue since from 2017.
- As the balance as at December 31, 2022, **financial investments** is 137 billion VND. This is bank deposits with terms of from 6 months to 1 year with interest rate is from 6.8%/year to 8.7%/year (in



2021 was from 4.6%/year to 6.5%/year) or at the rate corresponding to the actual maturity date according to the interest rate table in the deposit contract.

- **Cash equivalents** as at December 31, 2022 include bank deposits in VND (VND 7.0 billion) with a term of 1 month and earning interest rates from 6%/year.
- The provision for long-term payables: the amount set up is 7,541,327,024 VND keep unchanged compared to the beginning of 2022. This provision is for site reimbursement costs in Thang Long Industrial Park: The Company stopped making additional provisions from 2019 because the inflation rate and government bond interest rates have decreased significantly compared to the previous year, The appropriated money is VND 7,541,327,024 VND, higher than provision required amount of 5,556,068,081 VND.
- Report on the use of VAT invoices in 2022:

TT	Form code	Invoice code	Opening			New buy	Used, Delete, Cancel				Closing		
			Q'ty	From	To		Used	Delete	Cancel	Total	Q'ty	From	To
1	01GTKT3/002	AA/16P	968	0004233	0005200	-			968	968	-		
2	01GTKT0/001	AA/19E	4,897	0005104	0010000	-	511		4,386	4,897	-		
3	1/001	1C22TTC				1,570	1,569	1		1,570	-		
	<b>Cộng</b>		<b>5,865</b>			<b>1,570</b>	<b>2,080</b>	<b>1</b>	<b>5,354</b>	<b>7,435</b>	<b>-</b>		

### b/ Major criteria of financial status

Unit: Mil, VND

No,	Criteria	31/12/2021	12/31/2022	Rate 2021/2020
<b>I</b>	<b>Total asset</b>	<b>200,720</b>	<b>224.802</b>	<b>112%</b>
1	Short-term asset	<b>147,104</b>	<b>177.626</b>	<b>120,75%</b>
-	Cash and cash equivalent	36,649	13.669	37,30%
-	Receivables	14,222	21.669	152,36%
-	Short-term financial investment	92,2	137.200	148,81%
2	Long term asset	<b>53,616</b>	<b>47.176</b>	<b>87,99%</b>
-	Tangible fixed asset	47,170	41.396	87,76%
-	Intangible fixed asset	215	140	64,95%
<b>II</b>	<b>Liabilities and Owners' equity</b>	<b>200,720</b>	<b>224.802</b>	<b>112%</b>
1	Liabilities	<b>37,321</b>	<b>18.243</b>	<b>48,88%</b>
-	Current liabilities	29,780	10.701	35,94%
-	Non-current liabilities	7,541	7.541	100%
2	Owners' Equity	<b>163,399</b>	<b>206.559</b>	<b>126,41%</b>
-	Contributed capital	125,200	125.200	100%
-	Other funds belonging to owners' equity	195	195	100%
-	Accumulated loss	37.987	43.460	114,4%



Criteria	Unit	2021	2022
<b>Asset structure</b>			
- Current assets/Total assets	%	73,28	79,01
- Long term assets/Total assets	%	26,72	20,99
<b>Capital structure</b>			
- Liabilities/Total asset	%	18,59	8,11
- Liabilities/Owners' equity	%	81,41	91,89
<b>Short term solvency</b>			
- Short term solvency	times	4,94	16,60
- Quick ratio	times	4,94	16,60

- Assets structure of GDS: The proportion of short-term assets on total assets in 2022 increased slightly compared to 2021. Short-term receivables of customers in 2022 (21,667 million VND) increased 52.36% compared to 2021 (increasing from 14,222 million VND to 21,667 million VND), showing the increasing in the appropriation of the company's capital.
- Capital structure: mainly owner equity and liabilities keeps very small ratio.
- The debt ratio decreased from 18.59% down to 8.11%, reflecting the capital structure is better than last year. GDS have not any loan from the bank, so there was no pressure to repay,
- The financial ratio (owner's equity/total liabilities and owner's equity) lightly increased from 81,41% to 91.89%, reflecting the proactive of capital is better than last 2020.

The short term solvency in 2022 increased from 4.94 to 16.6 and quick solvency increase from 4,94 to 16.6, reflects company has ability to pay all debt of short-term, However, the situation in 2021 is much better than 2021.

### **III – Result of supervising the investment, salary fund and compensation for BOM, IC**

- In 2022, company invested one Server HPE DL360 GEN10 8SFF\_19766-B21 with cost is 174.8 million VND, depreciation time of 5 years and using from 1<sup>st</sup> September 2022.

No.	Assets name	Increasing original price (VND)	Depreciation time (months)	Using from
	<b>Equipments</b>			
1	Server HPE DL360 GEN10 8SFF_19766-B21	174,800,000	60	1/9/2022
	<b>Total</b>	174,800,000		



- As business plan 2022, the salary fund of company is 21,168 million VND and the salary fund of the Board of Directors is 2,144 million VND.

In actual, company paid:

- + Salary fund: 21.239 million VND
- + The salary fund of the Board of Directors: 2,062 million VND
- + Payment from Rewarding Fund for all employees: 208 Million VND
- BOM and IC haven not received any compensation in 2022.

## **IV - Evaluation and Proposal**

### **1. Evaluation of implement the resolution of General Shareholder Meeting**

BOD and all employees of GDS have exceeded the revenue and profit plan assigned by the General Meeting of Shareholders.

### **2. Result of supervising BOM, BOD and other managers**

- BOM has enough 5 members as regulated structure as company Charter.
- In 2022, BOM organized 1 meeting and 05 times of circulation,
- The resolutions of the Board of Directors are consistent with the functions and powers in accordance with the law and the Company's charter.
- BOM and BOD had strictly implemented the resolution of AGM 2022.
- IC agrees with report of BOM 2022 submitting to AGM 2023.

### **3. Relations between IC and BOM, BOD and shareholders**

In 2022, IC was received support from BOD and BOM and provided all information of business operation and financial situation of company as requested. IC did not receive any complain from shareholders about mistake of BOM, BOD and other managers during the performance of their duties.

### **4. Recommendations**

Based on viewing company documents, IC recommend to BOM and BOD as bellows:

1/ Regarding to the bad debts of NCS Technology JSC arising from 2017, we suggested company continue to collect or sell debts to a third party or sue in court. In 2022, the Company has not completely handled bad debts of NCS Technology JSC.

2/ It is necessary to consider researching and investing in building the second Datacenter in Hanoi to serve expanding markets and customers.

## **V - Action plan of IC in 2023**



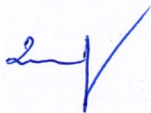
In order to completing the responsibilities of IC as Law on enterprises and the charter, IC submits the action plan for 2023 as bellows:

- 1/ Checking, supervising all operation & management activities of BOM and BOD.
- 2/ Inspecting company for FY 2023.
- 3/ Acting inspection as requested from BOM or group of shareholders as stipulated in the Charter.
- 4/ Attending the meeting of BOM.
- 5/ Keeping the relationship with BOM, BOD and departments of company.

The above content is inspection report of IC for 2022 and action plan 2023.

We would like to thank the Shareholders for their trust in assigning tasks. Thank to the BOM and BOD and relevant departments for creating conditions for us to complete the tasks.

**IC member**



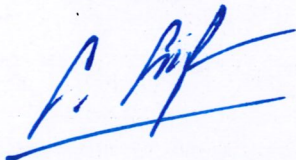
**Bui Le Quang**

**IC member**

Shunsuke  
Nishimura

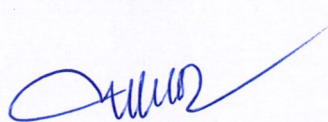
**Shunsuke Nishimura**

**IC member**



**Bui Ha Chau Giang**

**IC member**



**Nguyen Thi Lan Anh**

**Attn.:**

- As above mentioned;
- BOM, BOD of GDS;
- To file of IC, GDS.

