

No: 01\_2022/DHDCD/MWG

HCMC, March 31<sup>st</sup>, 2022

**PROPOSAL LETTER TO**  
**ANNUAL GENERAL MEETING OF SHAREHOLDERS 2022**  
**MOBILE WORLD INVESTMENT CORPORATION (“MWG”)**

- Pursuant to Law on Enterprise 2020 No. 59/2020/QH14 approved by the National Assembly of the Socialist Republic of Vietnam on June 17<sup>th</sup>, 2020.
- Pursuant to the Charter and Internal Management Regulations of Mobile World Investment Corporation.
- Pursuant to Resolution of Board of Directors No 01/NQ/HĐQT-2022 issued on February 21<sup>st</sup>, 2022.

The BOD kindly proposes this letter to seek approvals of the Annual General Meeting of Shareholders on the following matters:

**ARTICLE 1 REPORT OF THE BOARD OF DIRECTORS (“BOD”) OF MWG**

**1.1 BOD’S REPORT ON COMPANY PERFORMANCE IN 2021**

- 1.1.1 Although 2021 was a year of difficulties and challenges for MWG’s operations due to the severe impacts of Covid-19 outbreaks, the Company still experienced an incredible growth with net revenue of VND 122,958 billion and VND 4,901 billion in profit after tax (NPAT), increasing by 13% and 25% YoY, respectively. This was attributed to informed decision made by the Board of Directors and persistent efforts of all employees. As a result, MWG achieved 98% of its revenue target and 103% net profit after tax target for the FY2021.
  - a. MWG now has more than 5,300 stores (including 1,140 new points of sale in 2021).
  - b. Online revenue in 2021 reached VND 14,370 billion, increasing by 53% YoY and accounting for more than 12% of the Group’s total revenue.
  - c. Gross margin reached 22.5%, 0.4% higher than that in 2020. Net margin increased to approximately 4% from 3.6% in 2020.
- 1.1.2 In November 2021, MWG adopted a resolution on establishing and restructuring its subsidiaries, including: Conscientious Installation - Repair - Maintenance Service Joint Stock Company, Fully Trusted Logistics Joint Stock Company and 4KFarm Joint Stock Company. MWG also increased its share ownership in An Khang Retail Joint Stock Company and officially consolidated An Khang’s business results into MWG’s from the end of 2021.
- 1.1.3 MWG is honoured to receive acknowledgment of many prestigious domestic and foreign organizations, including:
  - a. 9<sup>th</sup> place in Top 10 largest enterprises in Vietnam according to VNR500 ranking.

- b. MWG is the only Vietnamese company in the Top 100 retailers in Asia-Pacific region and the No. 1 retailer in Vietnam.
- c. Top 50 Best Performing Companies in Vietnam honored by The Business Review (*Nhip Cau Dau Tu*) magazine.
- d. Top 50 best listed enterprises in Vietnam by Forbes.

1.1.4 Details of the Governance Report 2021 were attached in the AGM documents and posted on the Company's website: [www.mwg.vn](http://www.mwg.vn)

## 1.2 REMUNERATION, OPERATING EXPENSES AND OTHER BENEFITS OF THE BOD AND EACH MEMBER OF THE BOD

1.2.1 Remuneration and other benefits of each member of the Board as follows:

No.	BOD member	Position	Remuneration
1	Mr. Nguyen Duc Tai	Chairman	0
2	Mr. Tran Kinh Doanh	BOD member	0
3	Mr. Dieu Chinh Hai Trieu	BOD member <i>(Ceasing to be the BOD member from May 15th, 2021)</i>	0
4	Mr. Robert Willett	BOD member	VND 2,089,027,208
5	Mr. Thomas Lanyi	BOD member	0
6	Mr. Dang Minh Luom	BOD member	0
7	Mr. Doan Van Hieu Em	BOD member	0
8	Mr. Dao The Vinh	BOD member	0
9	Mr. Tran Huy Thanh Tung	BOD member	0
10	Mr. Nguyen Tien Trung	BOD member <i>(Becoming the BOD member from May 15th, 2021)</i>	0
11	Mr. Do Tien Si	BOD member <i>(Becoming the BOD member from May 15th, 2021)</i>	0

1.2.2 There is no operating expenses incurred by the Board and Directors in 2021.

## 1.3 REPORT ON MEETINGS AND RESOLUTIONS OF THE BOARD OF

**DIRECTORS (“BOD”)**

1.3.1 Summary of BOD meetings in 2021 is as follows:

<b>No.</b>	<b>BOD member</b>	<b>Position</b>	<b>Number of meetings attended</b>	<b>Attendance rate</b>
1	Mr. Nguyen Duc Tai	Chairman	11	100%
2	Mr. Tran Kinh Doanh	BOD member	11	100%
3	Mr. Dieu Chinh Hai Trieu	BOD member <i>(Ceasing to be the BOD member from May 15th, 2021)</i>	5	45%
4	Mr. Robert Willett	BOD member	11	100%
5	Mr. Thomas Lanyi	BOD member	11	100%
6	Mr. Dang Minh Luom	BOD member	11	100%
7	Mr. Doan Van Hieu Em	BOD member	11	100%
8	Mr. Dao The Vinh	BOD member	11	100%
9	Mr. Tran Huy Thanh Tung	BOD member	11	100%
10	Mr. Nguyen Tien Trung	BOD member <i>(Becoming the BOD member from May 15th, 2021)</i>	6	55%
11	Mr. Do Tien Si	BOD member <i>(Becoming the BOD member from May 15th, 2021)</i>	6	55%

(Independent members: 3/10, non-executive members: 3/10)

1.3.2 The BOD issued the following resolutions/decisions in regular/extraordinary meetings and by absent letters in 2021, as follows:

<b>No.</b>	<b>Resolution/Decision No.</b>	<b>Date</b>	<b>Content</b>
1	01/NQ/HĐQT-2021	January 12 <sup>th</sup> , 2021	Approval of the adjustment of ESOP list 2019.
2	02/NQ/HĐQT-2021	January 12 <sup>th</sup> , 2021	Approval of the lock-up period for ESOP 2019.
3	03/NQ/HĐQT-2021	March 08 <sup>th</sup> , 2021	Approval of the employee stock option plan 2020 (ESOP 2020).

4	04/NQ/HĐQT-2021	March 08 <sup>th</sup> , 2021	Approval of documents to issue ESOP (ESOP 2020).
5	05/NQ/HĐQT-2021	March 23 <sup>th</sup> , 2021	Approved to convene Annual General Meeting 2021.
6	06/NQ/HĐQT-2021	April 02 <sup>nd</sup> , 2021	Approval of the adjustment of ESOP list 2020.
7	07/NQ/HĐQT-2021	April 02 <sup>nd</sup> , 2021	Approval of the lock-up period for ESOP 2020.
8	08/QĐ/HĐQT-2021	May 07 <sup>th</sup> , 2021	Approval of the method to participate in Annual General Meeting.
9	09/NQ/HĐQT-2021	May 21 <sup>st</sup> , 2021	Approved to elect the auditor, appoint the Chairman of the BOD, appoint the Chairman and members of the Audit Committee.
10	10/NQ/HĐQT-2021	July 02 <sup>nd</sup> , 2021	Approval of 2020 dividend payment
11	11/NQ/HĐQT-2021	July 30 <sup>th</sup> , 2021	Approved the change of the number of shares expected to be issued to pay stock dividends
12	12/NQ/HĐQT-2021	August 14 <sup>th</sup> , 2021	Approved to change cash dividend ratio
13	13/NQ/HĐQT-2021	November 03 <sup>rd</sup> , 2021	Approved to restructure subsidiaries & affiliates
14	14/NQ/HĐQT-2022	December 20 <sup>th</sup> , 2021	Approval of 2022 business plan

Overall, the Board of Directors successfully completed all missions in 2021 which were assigned by the General Meeting of Shareholders.

**1.4 REPORT ON TRANSACTIONS BETWEEN THE COMPANY, ITS SUBSIDIARIES, COMPANIES WHOSE 50% OF CHARTER CAPITAL OR OVER WERE HELD BY PUBLIC COMPANIES, THE BOARD OF DIRECTOR'S MEMBERS AND THEIR RELATED PERSONS; TRANSACTIONS BETWEEN THE COMPANY AND COMPANIES OF WHICH THE BOARD OF DIRECTOR'S MEMBERS WERE FOUNDING MEMBERS OR MANAGERS IN THE LAST 3 YEARS BEFORE TRANSACTION DATE**

1.4.1 Transactions between the company, its subsidiaries, companies whose 50% of charter capital or over were held by public companies, the BOD's members and their related persons; transactions between the company and companies of which the BOD's members were founding members or managers in the last 3 years before transaction date:

No.	Name of the organization/	Relationship with the Company	Time of transaction	Transaction
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	<b>individual</b>			
1	Nguyen Duc Tai	BOD Member	2021	<p>a. Purchased 10 newly issued shares of Conscientious Installation - Repair - Maintenance Service Joint Stock Company with the price of VND 10,000/share.</p> <p>b. Purchased 10 newly issued shares of 4KFarm Joint Stock Company with the price of VND 10,000/share.</p> <p>c. Purchased 10 newly issued shares Fully Trusted Logistics Joint Stock Company with the price of VND 10,000/share.</p> <p>d. Purchased 10 shares of An Khang Retail Joint Stock Company, its affiliate, from existing shareholders.</p> <p><i>Purpose: ensure the required number of shareholders for subsidiaries or affiliates to be entitled as joint-stock companies.</i></p>
2	Robert Alan Willett	BOD member	2021	Remuneration: VND 2,089,027,208
3	The Gioi Di Dong Joint Stock Company	Subsidiary	2021	<p>Dividend: VND3,398,116,290,941</p> <p>Lending: VND2,752,800,000,000</p> <p>Capital contribution: VND 799,556,780,000</p> <p>Interest income: VND296,598,573,056</p> <p>Arrangement fees: VND17,105,841,670</p>
4	Bach Hoa Xanh Trading Joint Stock Company	Subsidiary	2021	Capital contribution: VND3,198,463,970,000

				Advance: VND696,000,000,000
5	An Khang Retail Joint Stock Company	Affiliate	2021	Lending: VND133,400,000,000 Interest income: VND5.880.131.506
6	The Gioi Di Dong Information Technology Limited Company	Subsidiary	2021	Interest income: VND 4,660,126,028
7	4KFarm Joint Stock Company	Subsidiary	2021	Capital contribution: VND 99,998,900,000
8	Fully Trusted Logistics Joint Stock Company	Subsidiary	2021	Capital contribution: VND 5,000,000,000

1.4.2 Other transactions of members of the Board of Directors and their related persons in relation to MWG shares were disclosed in the Governance Report 2021 as attached document and posted on the Company's website: [www.mwg.vn](http://www.mwg.vn)

## **1.5 PERFORMANCE OF INDEPENDENT MEMBERS AND INDEPENDENT MEMBERS' ASSESSMENT ON PERFORMANCE OF BOARD OF DIRECTORS (FOR LISTED COMPANY)**

1.5.1 Independent Board members fully participated in all meetings with the Board of Directors and:

- a. Work closely with the Board of Directors on issues related to corporate governance.
- b. Provide objective and straightforward comments on the Board's decisions to improve the quality of governance decisions.
- c. Make judgments and assessments on governance risks of the Board of Directors.

1.5.2 Independent Board members also closely followed the Board of Management's activities and the Company's business operation to enhance transparency and fairness in governance.

1.5.3 The Board of Director's performance assessment:

- a. The Board of Directors fully acknowledged Independent Board members' feedback.
- b. The Board of Directors made significant changes to improve the governance decision quality with the feedback.

- c. The Board of Directors ensures the objectivity, honesty and transparency in governance corporations.

## **1.6 PERFORMANCE OF AUDIT COMMITTEE UNDER THE BOARD OF DIRECTORS IN CASE OF A PUBLIC COMPANY**

- 1.6.1 The Audit Committee carried out reviews over internal control and risk management systems.
- 1.6.2 The Audit Committee monitored and evaluated the independence and objectivity of the audit firm as well as the effectiveness of the audit, the truthfulness of financial statements and official disclosures related to the Company's financial results.
- 1.6.3 The Audit Committee supervised to ensure the Company's compliance with applicable laws, regulatory requirements and other internal regulations.
- 1.6.4 The Audit Committee directly supervised and discussed with the Board of Management over issues related to the Company's business and operation.
- 1.6.5 In carrying out its duties, the Audit Committee collaborated closely with the Board of Directors and the Board of Management as well as other necessary individuals.
- 1.6.6 The Audit Committee fully participated in all meetings with the Board of Management and other executives when it was necessary to assess the company-wide and departmental risks directly.

## **1.7 ASSESSMENT RESULTS FOR GENERAL DIRECTOR AND OTHER EXECUTIVES.**

The Company's Board of Directors oriented, directed and supervised the work of the General Director and other executives as follows:

- 1.7.1 Monitor and capture the Company's business operation process through regular/extraordinary reports and meetings of the Board of Management with the Board of Directors.
- 1.7.2 The Board of Directors' direction and supervision adequately informed the Board of Management to make sensible, prudent, and transparent business decisions to accomplish the Board of Directors' targets and the General Meeting of Shareholders.
- 1.7.3 The Board of Directors appreciated the excellent leadership of the Board of Management through difficulties and turned the tide to the finish line with the right vision and drastic action. The Board of Management conducted thorough market analysis, precisely anticipated worldwide supply constraints, and worked proactively with suppliers to enhance inputs to distribution centers. It was a careful preparation in goods, personnel, sale processes to quickly fulfil the customers as soon as stores were allowed to reopen after quarantine months. Meanwhile, The Board of Management also proactively put forward new ideas and seized remarkable recovery and growth.

## **1.8 ACTION PLANS AND DIRECTIONS OF THE BOARD OF DIRECTORS.**

- 1.8.1 In 2022, the general action plan of the Board of Directors is as follows:
  - a. Focus on urging and supervising the implementation of business plan to fulfil 2022

targets.

- b. Liaise with the Audit Committee to enhance capability of monitoring and inspecting the Board of Management's operating activities, managing risks, ensuring the compliance with the Laws, regulations and the company's charter.
- c. Continue to hold regular and extraordinary meetings of the Board of Directors in accordance with the provisions of law and the company's charter to get timely feedback from the Board of Management and executive members so that Board of Directors will give appropriate and practical recommendations for the Board of Management's execution.

1.8.2 The Board of Directors has implemented or will implement the followings:

- a. Approval of investment policy in consumer electronics retailing in Indonesia:
  - Transaction: The Gioi Di Dong Joint Stock Company, a subsidiary of Mobile World Investment Corporation, entered into a strategic cooperation with PT Erafone Artha Retailindo ("Erafone"), a subsidiary of Erajaya Group in Indonesia, through the signing of a Joint Venture Agreement to form a joint venture company PT Era Blue Elektronik (Era Blue).
  - Purpose: develop the Era Blue joint venture to become the No.1 consumer electronics retailing in Indonesia by (i) leveraging the know-how of consumer electronics retailing and outstanding execution capability of MWG, along with (ii) brand prestige, local market understanding, and available resource of Erajaya. Erajaya is the leading modern retailer of ICT products by store network and market share in Indonesia.
  - Era Blue Joint Venture marks an important milestone in MWG's overseas development strategy and is expected to help the Company extend its growth momentum in the future.
  - Indonesia is the largest economy in Southeast Asia with the GDP of USD1.2 trillion and the population of nearly 280 million people (about 3 times that of Vietnam), as well as named in the top countries recording high GDP growth rates in the region. This country has similarities in terms of living standards and traffic compared to Vietnam. The consumption market is huge potential, but the ICT and consumer electronics retailing is still very fragmented. Modern trade accounts for less than 20% of the market share, for consumer electronics even less than 15% of the market share. The current largest electronics retailer has merely 60+ points of sale.
  - Transaction time: completed the investment procedures and commences the business operation. The first Era Blue store is to be opened in Jakarta by mid-2022.
- b. Private placement issuance of Bach Hoa Xanh Trading Joint Stock Company ("Bach Hoa Xanh"):



- Target of issuance: regional or global partners and investors (except the direct competitors in Vietnam) that desires to acquire Bach Hoa Xanh's shares with highest valuation.
  - Use of proceeds: financing for investment in distribution centers, CAPEX, technology, aggressive development of Bachhoaxanh.com channel and nationwide expansion of Bach Hoa Xanh store chain.
  - Transaction: no more than 20% (twenty percent) of Bach Hoa Xanh's equity
  - Expected transaction time: In the period of 2022-2023
- c. Conducting potential M&A transactions with (i) retail businesses in the same or related product categories, (ii) corporates providing services to support retail activities including but not limited to delivery services, logistics services, repair – installation – maintenance services, IT, software development, etc when there are chances in 2022-2023.
- d. Implementing the long-term incentive plan to share the net increase in subsidiaries' company value for the General Directors and top executives having important contribution to the successful development in 5-year period since 2022 ("CEO policy"):
- MWG allows its subsidiaries to develop the companies independently, raise capital from outside investors through private placement to finance for their business expansion and list the companies on the stock exchange in the future.
  - Purpose of this policy is creating strong motivation to encourage the leaders of subsidiaries significantly improving their business performance to achieve breakthrough growths, thereby delivering higher net value creation for the shareholders of the subsidiaries and contributing to the increase of company valuation of MWG.
  - Offering: private placement issuance at the subsidiaries level.
  - Target for issuance: General Directors and top executives having important contribution to the successful development of the subsidiaries.
  - Conditions for issuance: (i) only if the subsidiaries achieve the KPIs relating to revenue and/or net profit after tax and/or return on investment, and (ii) the private placement issuance will happen earliest in 2015 and latest in 2027.

### 1.8.3 Sustainable development commitments:

- a. The Board of Directors appoints Mr. Dang Minh Luom – BOD member cum Head of Human Capital of MWG to be person in-charge leading sustainable development activities of the company.
- b. The Board of Directors develops strategies, action plans to ensure (i) the company's business does not bring negative impacts on the benefits of environment – society – community, and (ii) MWG create new values and share positive value with stakeholders.

- c. MWG discloses information about strategies, implemented actions and specific results relating to sustainable development in the company's annual reports.

## **ARTICLE 2 REPORT OF ACTIVITIES OF INDEPENT BOD MEMBERS IN THE INTERNAL AUDIT COMMITTEE**

### **2.1 MEMBERS AND STRUCTURE OF THE AUDIT COMMITTEE**

The Audit Committee includes 3 members as follow:

<b>No.</b>	<b>Full name</b>	<b>Position</b>
1	Mr. Nguyen Tien Trung	Head of the Audit Committee <i>(Becoming Head of the Audit Committee from May 21<sup>st</sup>, 2021)</i>
2	Mr. Tran Huy Thanh Tung	Member
3	Mr. Dao The Vinh	Member
4	Mr. Dieu Chinh Hai Trieu	Member <i>(Ceasing to be a member of Audit Committee from May 21<sup>st</sup>, 2021)</i>

### **2.2 REMUNERATION, OPERATING EXPENSES AND OTHER BENEFITS OF THE COMMITTEE AND EACH MEMBER OF THE INTERNAL AUDIT COMMITTEE:**

In 2021, all members of the Audit Committee did not receive remuneration and the Audit Committee did not incur any operating expenses.

### **2.3 ACTIVITIES OF THE INTERNAL AUDIT COMMITTEE.**

2.3.1 Summary of meetings of the Internal Audit Committee in 2021 is as follows:

<b>No.</b>	<b>Member of the Internal Audit Committee</b>	<b>Number of meetings attended</b>	<b>Attendance rate</b>
1	Tran Huy Thanh Tung	6	100%
2	Dao The Vinh	6	100%
3	Nguyen Tien Trung	5	83%
4	Dieu Chinh Hai Trieu	1	17%

2.3.2 Audit Committee's supervision over the Board of Directors, Board of Management, and shareholders:

- a. The Audit Committee participates in the Board of Directors' meetings, monitor the implementation of General Shareholders Meeting's resolutions, the issuance and implementation of other Board resolutions.
- b. The Audit Committee had necessary resources and information access to:
  - Carry out reviews over internal control and risk management systems;
  - Supervise the accuracy of the Company's financial statements and official disclosures related to its financial results;
  - Monitor and assess the independence and objectivity of the audit firm and the effectiveness of the audit process;
  - Oversee to ensure the Company complies with applicable laws, regulatory requirements and other internal regulations.

## **2.4 THE AUDIT COMMITTEE'S PERFORMANCE REPORTS, RECOMMENDATIONS, AND CONCLUSIONS**

### **2.4.1 Assessment results over the performance of the Board of Directors, General Director, and other executive staffs;**

- a. Board of Directors and Board of Management fully implemented the resolutions adopted by the 2021 Annual General Meeting of Shareholders;
- b. Cash dividends were paid to existing shareholders on September 13<sup>th</sup>, 2021, at the payment ratio of 5% (VND 500/ share);
- c. 237,635,732 new shares were issued, and stock dividends were paid to existing shareholders in September 2021 at the payment ratio of 2:1 (each shareholder owning 2 shares on the closing date would receive 1 newly issued share).
- d. 19,190,970 new shares were issued (equivalent to 2.696% of total outstanding shares at the time of issuance) in March 2022 for the executive board and key management personnel based on combining (i) ESOP 2020 (second tranche) and (ii) ESOP 2021;
- e. Members of the Board of Directors attended all meetings under the applicable laws, regulations, and the Company's Charter in 2021;
- f. The Board of Directors' resolutions was issued in line with respective authority levels and complied with the resolutions of the General Meeting of Shareholders, MWG's Charter and provisions of Vietnamese laws.

### **2.4.2 Assessment results over the Company's financial statements, operations, and financial position:**

The Audit Committee concurs with the audit firm's opinion on the Company's financial statements for the fiscal year ended December 31<sup>st</sup>, 2021, issued by Ernst & Young Vietnam Co., Ltd. The financial statement is presented truthfully and reasonably, following Vietnamese accounting standards and applicable laws.

Overview of audited financial statements in 2021:

<b>Income Statement</b> (VND billion)	<b>2021</b>	<b>2020</b>	<b>Growth rate</b>
Net Revenue	122,958	108,546	13.3%
Profit before tax	6,472	5,410	19.6%
Net Profit after tax	4,901	3,920	25.0%

<b>Balance sheet</b> (VND billion)	<b>December 31<sup>st</sup>, 2021</b>	<b>January 1<sup>st</sup>, 2021</b>
Current assets	51,955	37,317
Non – current assets	11,016	8,714
<b>Total assets</b>	<b>62,971</b>	<b>46,031</b>
Current liabilities	42,593	29,422
Long-term liabilities	0	1,127
Liabilities	42,593	30,549
Equity	20,378	15,482
<b>Total resources</b>	<b>62,971</b>	<b>46,031</b>

2.4.3 Assessment results over the Company's internal control and risk management systems;

- a. No material risks related to the Company's business and operations had been reported by the Audit Committee in 2021. The Company's operations did not incur material loss, waste, and corruption.
- b. The Audit Committee monitored the Company's actual operations to enhance its internal control and risk management systems.
- c. The Audit Committee appreciated the Board of Management and executive staffs following and making timely changes in the system-wide control and risk management.
- d. All departments adopted and thoughtfully implemented the recommendations given by the Audit Committee were through specific plans with the supervision of the Audit Committee.
- e. The coordination between the Audit Committee, Board of Directors, Board of Management, and managers always strictly complied with Vietnamese laws, the Company's charter, and other regulations.

2.4.4 Assessment results over the coordination between the Audit Committee and the Board of Directors, Board of Management, and shareholders:

- a. The Audit Committee's risk management in 2021 continued to rigorously follow the Company's business operations;

- b. The Audit Committee supervised the Board of Management's work and directly discussed with the Board of Management over issues related to the Company's business and operation;
- c. The Audit Committee fully participated in all meetings with the Board of Management and management levels when required to directly assess corporate and departmental risks;
- d. The Audit Committee fully provided periodic and irregular reports to the Board of Directors on the Company's assessment results, risk reports, updated departmental performance, and issues related to the Company's business operations.

**ARTICLE 3 AUDITED FINANCIAL STATEMENTS OF 2021**

The Board of Directors kindly proposes to get approval of the General Meeting of Shareholders regarding FY2021 Audited Financial Statements by Ernst & Young Vietnam Co., Ltd.

Detailed Income Statement, Balance Sheet and Cash Flow Statement were included in the audited financial statements in the attachment and published on [www.mwg.vn](http://www.mwg.vn).

**ARTICLE 4 BUSINESS PLAN OF 2022**

4.1 The Board of Directors kindly proposes 2022 business plan to the General Meeting of Shareholders for approval as following:

<b>Consolidated Items</b> <i>(VND billion)</i>	<b>Target of 2022</b>	<b>Actual of 2021</b>	<b>Target of 2021 vs. Actual of 2020</b>
Net Revenue	140,000	122,958	114%
Net Profit After Tax	6,350	4,901	130%

- 4.2 The 2022 business plan is based on the assumption that the pandemic still sees complicated developments but will not cause serious business disruptions or more severe impacts on the economy than what happened in Vietnam over the past 2 years. Major actions are planned with flexible approach and ready to adapt with the changes in business environment.
- 4.3 In 2022, MWG set challenging targets: net revenue of VND140 trillion and NPAT of VND6,350 billion, increasing by 14% YoY and 30% YoY respectively.
- 4.4 With omni-channel retailing strategy, MWG will utilize our existing technology strengths, continue to innovate, and create point of difference, simplify the shopping experience in online channels to be more friendly and convenient for customers as well as increase the customer brand stickiness. MWG still target to grow its online sales by 50% YoY and estimate the online penetration in the company's total revenue of 15%.
- 4.5 Thegioididong.com (TGDD) and Dien May Xanh (DMX) will remain the Cash Cow business and is expected to contribute 75%-80% for MWG's net revenue by: (i) opening new consumer electronics flagship centers, DMX Supermini, Topzone and expanding the network of freelancers; (ii) upgrading stores to bigger size/ convert from TGDD to DMX for stores reaching sales target and operating in highly potential areas;

- (iii) adding new products/services to optimizing sales for existing stores, (iv) accelerating Bluetronics' sales to bring the chain to break-even point and penetrating consumer electronics retailing business in Indonesia.
- 4.6 Bach Hoa Xanh (BHX) will cease new store opening and put effort on fine-tuning the backend foundation to be ready for aggressive expansion from 2023 onwards. In 2022, the chain will focus on boosting the foot traffic and pushing store sales by turning fresh foods as a destination for BHX. BHX will improve the product quality, freshness and implement many promotions to offer customers good deals with competitive prices. BHX is expected to generate 20%-25% sales of MWG.
- 4.7 After An Khang's performance is officially consolidated to MWG's business results, this chain will be invested significantly in terms of both money and dedicated leadership to (i) improve the critical things at the existing stores to enhance customers experience and (ii) build new/upgraded store format for scaling up after proving its business efficiency.
- 4.8 The retail chains will optimize procurement competence, aim towards pushing sales volume to generate more revenue and absolute profits value.
- 4.9 New chains piloted in January 2022 including AVAKids, AVASport, AVAFashion, AVAJi, and AVACycle have shown encouraging initial results. These initiatives are expected to contribute considerably to the Group's business performance since 2023 if their experiments are successful.
- 4.10 MWG will continue to invest in new "seed" businesses: Conscientious Installation – Repair – Maintenance Services Company, Fully Trusted Logistics Services Company and safe agriculture 4KFarm Company.

## **ARTICLE 5 REPORT ON CASH DIVIDEND PAYMENT BASED ON RETAINED EARNINGS OF 2020**

The Annual General Meeting Resolution 01\_2021/NQĐHCĐ/TGĐĐ dated May 15<sup>th</sup>, 2021 approved the cash dividend policy. In September 2021, the Company completed cash dividend payment from retained earnings based on 2020 audited financial statements. Accordingly, the Board of Directors kindly proposes the report on cash dividend payment based on 2020 business performance to the General Meeting of Shareholders for approval as follows:

- 5.1 Type of shares: : Common shares
- 5.2 Par value: : VND 10,000/share
- 5.3 Payment ratio: : 5%/share equivalent to VND 500/share
- 5.4 Beneficiaries: : Existing shareholders in the VSD's shareholder list at the record date on August 31<sup>st</sup>, 2021 – The last day of shareholder registration to exercise the right to receive cash dividends
- 5.5 Payment method: : Cash payment
- 5.6 Payment date: : September 13<sup>th</sup>, 2021

- 5.7 Total actual amount of payment: : VND 237,635,732,000. Of which:
- Paid PIT on behalf of the shareholders: VND 2,601,254,700
  - Dividend transferred to the shareholders via VSD: VND 235,030,228,900
  - Remain amount payable to the shareholders (have not received yet in the head office): VND 1,004,150

*This amount belongs to shareholders who owned undeposited shares and did not come to MWG's office to receive the cash dividend.*

**ARTICLE 6 REPORT ON STOCK DIVIDEND FOR EXISTING SHAREHOLDERS  
BASED ON RETAINED EARNINGS OF 2020**

The Annual General Meeting of shareholders Resolution 01\_2021/NQĐHCĐ/TGĐĐ dated May 15<sup>th</sup>, 2021 approved the stock dividend policy. In September 2021, the Company completed stock dividend payment from retained earnings based on 2020 audited financial statement. Accordingly, the Board of Directors kindly proposes the report on cash dividend payment based on 2020 business performance to the General Meeting of Shareholders for approval as follows:

- 6.1 Issued shares : Share of Mobile World Investment Corporation (MWG)
- 6.2 Type of shares : Common shares
- 6.3 Par value : VND 10,000/share
- 6.4 Charter Capital : VND 4,754,311,970,000
- 6.5 Outstanding shares : 475,271,464 shares
- 6.6 The treasury shares : 159,733 shares
- 6.7 The payment ratio : 2:1 on the total outstanding shares (This means that each shareholder who owns two (02) shares in the VSD's shareholder list at the record date will receive one (01) additionally common share)
- 6.8 The number of issued shares : 237,634,298 shares
- 6.9 Issued value at par value : VND 2,376,342,980,000
- 6.10 Capital source: : from Retained Earnings in the audited financial statements of 2020
- 6.11 Beneficiaries : Existing shareholders in the VSD's shareholder list at the record date on August 31<sup>st</sup>, 2021. The treasury shares (if any) will not be counted for this stock dividend payment.

**ARTICLE 7 REPORT ON THE RESULT OF THE ESOP PLAN EXECUTED TO THE EXECUTIVE BOARD AND KEY MANAGEMENT PERSONNEL ACCORDING TO ARTICLE 10 AND 11 OF THE RESOLUTION OF THE GENERAL MEETING OF SHAREHOLDERS 2021 (ESOP 2021)**

According to the Annual General Meeting Resolution 01\_2021/NQĐHCĐ/TGDĐ dated May 15<sup>th</sup>, 2021, the General Meeting of Shareholders of Mobile World Investment Corporation approved The ESOP for Executive Board and Key Management Personnel and the share issuance under the ESOP as follows:

- 7.1 Total number of outstanding shares at the time of issuance: 713,065,495 shares
- 7.2 Number of shares issued: 19,190,970 shares equivalent to 2.696% of total outstanding shares, combined issuance for the executive board and key management personnel based on (i) business results of 2020 (second tranche) and (ii) business results of 2021.
- 7.3 Percentage of the ESOP 2021 issued shares was allocated by functions as follows:

<b>Sales</b> (Store Managers, Area Managers, Regional Managers, Online sales personnel...)	1.213%
<b>Purchasing</b> (Category Director/Manager, Purchasing senior staffs...)	0.495%
<b>Supporting</b> (HR, Finance & Accounting, IT, Marketing, Logistics...)	0.680%
<b>Board of Management</b> (General Director, other Directors)	0.308%
<b>TOTAL</b>	<b>2.696%</b>

- 7.4 Target of issuance: management personnel or employees are Vietnamese, who contribute to the successful business performance of the Company and its subsidiaries in 2021.
- 7.5 Number of employees who are eligible to receive shares: 567 employees.
- 7.6 Par value: VND 10,000/share.
- 7.7 Offer price: VND 10,000/share.
- 7.8 Completion date of the issuance: March 26<sup>th</sup>, 2022.
- 7.9 Lock-up period: Number of shares issued have lock-up period of 4 years. 25% of the shares will be unlocked after each year. Details of lock-up period is as follows:
- From 26 March 2022 to 25 March 2023: 100% of the shares issued to employees of the Company and its subsidiaries under ESOP program is locked;
  - From 26 March 2023 to 25 March 2024: 75% of the shares issued to employees of the Company and its subsidiaries under ESOP program will be locked;
  - From 26 March 2024 to 25 March 2025: 50% of the shares issued to employees of the Company and its subsidiaries under ESOP program will be locked;
  - From 26 March 2025 to 25 March 2026: 25% of the shares issued to employees of the Company and its subsidiaries under ESOP program will be locked;
  - From 26 March 2026: all shares issued to employees of the Company and its subsidiaries under ESOP program will be unlocked.



The Company completed ESOP issuance in March 2022, the BOD kindly proposes the report on share issuance result to the General Meeting of Shareholders for approval as follows:

No	Content	Number of shares
1	Expected number of shares to be issued	19,219,040
2	Actual number of issued shares	19,190,970

The difference between the expected number of shares to be issued and the actual number of issued shares is 28,070 shares. This is due to the fact that some employees refused to buy the shares.

#### **ARTICLE 8 APPROVAL FOR CASH DIVIDEND BASED ON 2021 BUSINESS RESULTS**

The Board of Directors kindly seeks the General Meeting of Shareholders' approval for the cash dividend policy base on business results of 2021 for existing shareholders as follows:

- 8.1 Type of shares : common shares (not applicable for treasury shares)
- 8.2 Par value : VND 10,000/share
- 8.3 Payment ratio : 10% on par value (VND 1,000/share)
- 8.4 Beneficiaries : All existing shareholders in the VSD's shareholder list at the record date. These shareholders are eligible for receiving dividend payment
- 8.5 Payment method : cash payment
- 8.6 Expected payment time : In 2022
- 8.7 The General Meeting of Shareholders authorizes the Board of Directors to execute the following activities:
- 8.7.1 Entirely decide on dividend payment ratio and specific payment time;
- 8.7.2 Decide, modify detailed dividend payment plan and select appropriate time for preparing the related documents;
- 8.7.3 Perform all necessary procedures to complete the issuance plan and comply with current laws and regulations.

#### **ARTICLE 9 APPROVAL FOR STOCK DIVIDEND FOR EXISTING SHAREHOLDERS BASED ON RETAINED EARNINGS OF 2021**

The Board of Directors kindly proposes to the General Meeting of Shareholders for approval of paying the stock dividend as follows:

- 9.1 Issuance method : newly issued shares of Mobile World Investment Company (MWG)
- 9.2 Type of shares : Common shares
- 9.3 Par value : VND 10,000/share

- 9.4 Charter Capital : VND 7,322,564,650,000
- 9.5 Outstanding shares : 732,024,465 shares
- 9.6 The treasury shares : 232,000 shares
- 9.7 The payment ratio : 1:1 on outstanding shares (This means that each shareholder who owns one (01) share in the VSD's shareholder list at the record date will receive one (01) additional share).
- 9.8 The expected number of newly issued shares : Maximum 732,024,465 shares at the time of issuance.
- 9.9 Capital source : from Retained Earnings in the audited financial statements of 2021
- 9.10 Beneficiaries : Existing shareholders in the VSD's shareholder list at the record date. The treasury shares (if any) will not be counted for this stock dividend payment
- 9.11 Share distribution : Existing shareholders' shares will be distributed via VSD
- 9.12 The additionally issued shares are not restricted to transfer, but the right to receive them is not transferable.
- 9.13 Increasing the Company's charter capital by an amount equal to the total par value of successfully issued shares, as recorded in the report on share issuance submitted to the State Securities Commission after completion.
- 9.14 The General Meeting of Shareholders authorizes the Board of Directors to execute the following activities:
- 9.14.1 Entirely decide on the last registration date for exercising rights, determine the actual number of shares issued based on outstanding shares at the time of issuance.
  - 9.14.2 Prepare, modify detailed dividend payment plan and select appropriate time for preparing the related documents;
  - 9.14.3 Adjust an enterprise registration certificate, adjust the charter capital according to the actual amount of capital issued, list shares after obtaining the necessary approvals from state agencies and deposit under actual issued shares.
  - 9.14.4 Perform all necessary procedures to complete the issuance plan and comply with current laws and regulations.

**ARTICLE 10 APPROVAL FOR EMPLOYEE STOCK OPTION PLAN FOR EXECUTIVE BOARD AND KEY MANAGEMENT PERSONNEL OF MOBILE WORLD INVESTMENT CORPORATION AND ITS SUBSIDIARIES BASED ON BUSINESS RESULTS IN 2022 (ESOP 2022).**

The Board of Directors kindly proposes to the General Meeting of Shareholders to approve on the plan of issuing Employee Stock Option Plan for the Executive Board and Key Management Personnel of MWG and its subsidiaries in 2022 (“ESOP 2022”) as follows:

10.1 Issuance Plan:

10.1.1 Percentage: maximum 2.5% (two-point-five percent) of total outstanding shares at the time of issuance. The issuance rate will be determined as follows:

<b>Growth rate of Net Profit After Tax</b>	<b>ESOP issuance rate</b> <i>(No more than 2.5% in any case)</i>
< 10%	0%
≥ 10%	<i>NPAT growth rate x 0.1</i>

$$\text{NPAT growth rate} = [(\text{NPAT of FY2022} / \text{NPAT of FY2021}) - 1] * 100\%$$

*Example: Actual NPAT of 2021: VND6,350 billion*

➔ *ESOP issuance ratio = 2.5% because  $0.1 \times [(6,350/4,901) - 1] \times 100\% = 3\% > 2.5\%$*

10.1.2 The total issued shares

**Total ESOP shares = Issuance rate x Total number of outstanding shares at the time of issuance** but not exceeding 37,000,000 shares (this number is estimated based on the total shares after the stock dividend in 2022).

10.1.3 Par value: VND 10,000/share.

10.1.4 Offer price for ESOP share: VND 10,000/share

10.1.5 Target of issuance: management personnel or employees are Vietnamese citizens, who contribute to the successful business performance of the Company and its subsidiaries in 2022.

10.1.6 Type of shares: common shares with lock-up limitation

10.1.7 Time of issuance: In 2023.

10.1.8 Other regulations:

- a. All issued shares shall be locked for 4 years, in which 25% of issued shares will be unlocked for each year. It means that 25% of issued shares will be unlocked after the 1<sup>st</sup> year; 50% of issued shares will be unlocked after the 2<sup>nd</sup> year; 75% of issued shares will be unlocked after the 3<sup>rd</sup> year and the remaining 25% will be unlocked after 4<sup>th</sup> years;

- b. If employees terminate labor contracts with the Company for any reason, the Company will purchase employees' shares which are locked at the par value;
- c. This purchase of shares will be carried out by the Company unless the Board of Directors makes decision of not purchasing a part or all of shares that are still in lock-up period of that specific staff;
- d. If any employee dies during the period in which his/her labor contract is still valid, employee's locked shares shall be automatically unlocked and the legal heirs of this employee will inherit the unlocked shares in accordance with the applicable law.

10.2 The General Meeting of Shareholders authorizes the Board of Directors to execute the following activities:

10.2.1 Entirely decide on the target of issuance.

10.2.2 Decide on the number of shares which will be actually issued based on the outstanding shares at the time of issuance. The Board of Directors must also ensure the ratio of ESOP shares as prescribed in this Article;

10.2.3 Prepare, modify detailed issuance plan and select appropriate time for preparing the related documents;

10.2.4 Perform other necessary procedures to implement, deposit and list and complete the issuance plan in accordance with the law.

#### **ARTICLE 11 APPROVAL OF REDUCTION OF CHARTER CAPITAL DUE TO SHARES REPURCHASE FROM EMPLOYEE RESIGNATION**

Accordinging the point 6 article 36 of the Securities Laws, the Board of Directors kindly proposes to the General Meeting of Shareholders to approve:

11.1 Conducting the procedure to reduce the Company's charter capital due to shares repurchase from employee resignation as treasury shares.

- Total treasury shares are repurchased till the current time (date of the proposal letter): 232.000 shares.
- Total outstanding shares: 732,256,465 shares (equivalent to the current charter capital of VND 7,322,564,650,000)
- After eliminating the treasury shares, the company will conduct the procedure to reduce the charter capital in the Business Registration Certificate from VND 7,322,564,650,000 to VND7,320,244,650,000.

11.2 The General Meeting of Shareholders authorizes the Board of Directors to perform necessary procedures to reduce the charter capital and complete the revision of the Business Registration Certificate in accordance with the law.

#### **ARTICLE 12 APPROVAL OF CHANGES IN THE CHARTER OF MOBILE WORLD INVESTMENT CORPORATION**

The Board of Directors kindly proposes to get approval of the General Meeting of Shareholders regarding:

12.1 Revising the point 1, article 5 of the Charter of Mobile World Investment Corporation dated on 15th May 2021 as a result of reduction in charter capital due to shares

repurchase from employee resignation.

The new charter capital of the Company will equal to the charter capital at the time of reduction registration minus the value of treasury shares (232,000 shares that is equivalent to VND2,320,000,000)

- 12.2 The General Meeting of Shareholders authorizes the General Director and the Legal Representative of the Company to issue the appendix to revise the Charter after completing the reduction of charter capital and update of the Business Registration Certificate in accordance with the law.

**ARTICLE 13 APPROVAL ON RESIGNATION OF MR. TRAN KINH DOANH AS A MEMBER OF THE BOARD OF DIRECTORS**

The Board of Directors has received the resignation letter of Mr. Tran Kinh Doanh as a member of the Board of Directors, General Director and Legal Representative of the Company, therefore the Board of Directors seeks the approval of the General Meeting of Shareholders on the resignation in according to the Charter and article 160 of Law on Enterprise. The remaining number of the Board of Directors is still complying with the law, thus there is no new appointment required by the law.

**ARTICLE 14 SELECTION OF AUDITOR FOR 2022 FINANCIAL YEAR**

The Board of Directors kindly seeks the General Meeting of Shareholders' approval and authorization of selecting one of the following companies to audit 2022 financial statements of the Company and its subsidiaries:

- Ernst & Young Vietnam Limited
- KPMG Vietnam
- PricewaterhouseCoopers (Vietnam) Limited
- Deloitte Vietnam.

**ARTICLE 15 REMUNERATION OF THE MEMBERS OF BOD AND INTERNAL AUDIT COMMITTEE PROPOSAL FOR 2022**

The Board of Directors kindly proposes the remuneration for the members of Board of Directors and Audit Committee in 2022 to the General Meeting of Shareholders for approval as follows:

- 14.1 Expected remuneration of non-executive Board members in 2022: VND 2,500,000,000.
- 14.2 Remuneration of Audit Committee members in 2022: VND 0.
- 14.3 The General Meeting of Shareholders fully authorizes BOD to distribute the remuneration to the non-executive BOD members in the point 14.1.

**ARTICLE 16 APPROVAL OF ALLOCATING VND10 BILLION FROM THE NET PROFIT AFTER TAX FOR MOBILE WORLD GROUP CHARITY FOUNDATION FOR CHARITY ACTIVITIES**

- 15.1 The Board of Directors seeks for the General Meeting of Shareholders' approval of allocating VND10 (ten) billion from the Company's Net Profit After Tax to finance for Mobile World Group Charity Foundation.
- 15.2 The General Meeting of Shareholders fully authorizes Board of Directors to use and distribute this amount to the Projects for charity activities.
- 15.3 Details of the Charity Foundation's activities and Statement of the Charity Foundation were attached in the document and posted on the Charity Foundation's website: <https://www.maiamtgdd.vn/>

Empower BOD to perform necessary procedures mentioned in this proposal letter in accordance with the Enterprise Law, the Company's Charter, and other relevant documents.

**ON BEHALF OF BOARD**

**Chairman**

*(Signed)*

**Nguyen Duc Tai**

(This is an English copy of the VN proposal which is translated for your reading only)