
No. 0221/2022/CV-VIMASS
2021 annual report and
2022 business approach

Hanoi, the 21st day of February, year 2022

Respectfully to: Shareholders of Vietnam mobile-based services joint stock company (Vimass)
REPORT OF THE CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

I. Company activities in 2021 and from 1/1/2022 to 2/20/2022:

1. Addition of charter capital and relocation of head office:
 - From 8/25/2020 to 2/25/2021, 3 Shareholders contributed 6 billion dong (VND) as per the Resolution of the General Meeting of Shareholders (GSM): Mr. Nguyen Duc Cu contributed 4 billion VND, Mr. Le Viet Tan (then-Deputy Director of HCM branch) contributed 1.8 billion VND, Ms. Duong Thi Chau Khanh (then-Director of HCM branch) contributed 200 million VND.
 - The 19th amendment to the BRC on 3/23/2021 acknowledged the increase of charter capital, or contributed capital, from 79,058,320,000 VND to 85,058,320,000 VND.
 - The 20th amendment to the BRC on 31/12/2021 acknowledged the relocation of the head office from 444 Hoang Hoa Tham to Floor 11, 4 Lieu Giai, Cong Vi Ward, Ba Dinh District, Hanoi.
2. Stock transfers since 1/1/2022 to date:
 - The 4 Shareholders Le Xuan Hoi, Le To Anh, Pham Thi Thanh Thuy, Le Thi Thanh Nga transferred all of their stocks to Shareholder Tran Viet Hung.
 - Shareholder Le Truong Tung transferred all of his stocks to Shareholder Tran Viet Trung.The list of shareholders was updated and announced on the website vimass.vn.
3. 2021 business results: refer to the audited financial statements sent to the Shareholders.
 - Gross revenue: 12,272,548,670 VND.
 - Profit after corporate tax: 1,358,483,691 VND = 1.59% of the charter capital.
4. Business results of the first 51 days of 2022 (from 1/1/2022 to 1/20/2022):
 - (a) 870 personal wallet accounts with a total balance = 267,603,725 VND.

(b) Less than 20 disbursement-collection enterprise wallets with an average balance during the first 51 days of the year > 31 billion VND/day.

(c) Disbursement-collection service during the first 51 days of the year:

- 191,881 disbursements with a total value of 1,373 billion VND
On average, 3,762 transactions/day, 26.92 billion VND/day, 7.15 million VND/transaction.
- 139,135 collections with a total value of 910 billion VND.
On average, 2,728 transactions/day, 17.84 billion VND/day, 6.54 million VND/transaction.
- 331,016 disbursement and collection transactions with a total value of 2,284 billion VND.
On average, 6,490 transactions/day, 44.78 billion VND/day, 6.9 million VND/transaction.
- 1,809,926,985 VND = Revenue from disbursement-collection service fees.
- 252,463,966 VND = Fees paid to banks
- 1,557,463,019 VND = Net fee earnings
- Total income in January 2022 = 1.396.222.437 VND
- Total cost in January 2022 = 1.397.509.218 VND
- Loss for January 2022 = 1.286.781 VND

5. Equipment purchase contracts:

5.1 180K UHF multifunctional cards (1.47 USD x 180K = 264.6K USD), 90K to be received in March, 90K to be received in April.

5.2 20K UHF multifunctional cards with digital signature (2.87 USD x 20K = 57.4K USD), 10K to be received in March, 10K to be received in April.

5.3 3K VPhone 22's (80 USD x 3K = 240K USD), 3K to be received in April.

5.4 15K type A USB connectors (3 USD x 15K = 45K USD), already delivered to HN warehouse.

5.5 30K ACOS5-64 digital signature chips (1.3 USD x 3K = 39K USD), already delivered to XCC RFID's warehouse.

5.6 5.2K PN7462AU chips (4.27 USD x 5.2K = 22.32K USD), already delivered to both HN and XCC RFID's warehouses.

5.7 4 servers and 1 firewall of more than 1.2 billion VND.

Total investment is more than 16.5 billion VND, 10.4 billion VND of which has been paid.

Vietinbank - Trang An branch has agreed to finance a 3-year medium-term loan for Vimass with loan interest rate is 7.5% - 8.5% per annum and the real estate-backed guarantee fee is 1.5% per annum. As of now, Vietinbank has disbursed 5 billion VND, with 5 to 10 billion VND expected to be released toward year's end.

6. Collaboration with TPBank:

- Disbursement service: Connection has been finalized after nearly 6 months. Test run had been conducted since 2/16/2022: Runtime per payment order was 10 seconds, with an error rate of 1/400. TPBank programmers are striving to reduce the payment order runtime to 7 seconds and obtain an error rate below 1/1000, similar to those of BIDV and NAB.

- Vimass plans to allocate a number of disbursements to TPBank for monitoring and repair purposes. TPBank pledges to make disbursements free-of-charge (for both internal transfer and 24/7 transfer via NAPAS) for Vimass for 1 year following the inspection and operation. When the

service quality is up to that of BIDV, Vimass shall relocate disbursements to this channel so as to save [REDACTED] million VND each month.

- The two sides plan to deploy the disbursement-collection services via payment code, similarly to VPBank, BIDV (followed by Vietcombank, Agribank, Vietinbank, Techcombank, ACB, LPB, Sacombank).

7. Collaboration with BIDV:

- Disbursement service: Operational since October 2021 to date. Has been running stable with a charge of [REDACTED] VND per 24/7 fast transfer transaction and [REDACTED] VND per internal transfer transaction.

- From 2/1/2022, BIDV agrees to reduce the fast transfer fee to [REDACTED] VND per transaction if the average monthly balance > 20 billion VND. Vimass is proposing BIDV render internal transfer free-of-charge and reduce the fast transfer fee to 1,100 VND.

- Collection service: BIDV renders it free-of-charge for 6 months starting from October 2021, after 6 months Vimass shall have to pay 15 million VND per month. Currently, BIDV's collection service has an error rate [REDACTED] times higher than that of VPBank. As such, Vimass's users do not wish to have collections conducted via BIDV.

- Together with BIDV, Vimass continues to upgrade the system and to persuade small-scale customers to use BIDV.

- BIDV agrees to supply Vimass with 5 inventories of digital accounts (payment codes), each of which is allowed to decide on up to 13-digit account number and 150-character account ID (no diacritics). Vimass possesses 5 account inventories for life which consist of 50 trillion accounts with their account IDs provided by Vimass per customer request.

- BIDV is considering Vimass's proposal to render internal transfer free-of-charge; reduce 24/7 fast transfer fee to 1,100 VND per transaction; replace accounts with 6+13-digit structure to 4+15-digit structure so that Vimass can possess for life the 5 million billion accounts with configurable ID per request.

8. Collaboration with VPBank:

- International payment card: Vimass has signed a contract on international card service via API for Visa, Master, JCB with a rate of [REDACTED] VND.

- Collection via payment code: Operational since December 2021 with 5 account starting numbers, each account starting number allows for the generation of the next 11 digits. As such, Vimass is currently in possession of 500 billion account numbers which can trace the name of the account holder per customer request.

- Payment: Vimass plans to sign on the deployment after VPBank agrees on the low fee which is exactly as much as the amount VPBank pays NAPAS (not over 1,100 VND per transaction).

9. Collaboration with Vietcombank:

- Digital disbursement service: The two sides have completed the internal payment UAT and are going forward with the 24/7 payment UAT.

- The two sides have agreed on the content of the contract but have not finished the negotiation over fees: VCB proposes [REDACTED] VND per internal transfer transaction and [REDACTED] VND per 24/7

wire transfer transaction. Vimass proposes free-of-charge internal transfer; fast wire transfer fee is 1,100 VND per transaction; average balance > 20 billion VND.

10. Collaboration with CMC TS and FPT IS:

- Vimass distributes fully licensed e-Invoice, e-Contract, and Digital signature services provided by these 2 units.
- Vimass continues to apply for the permit for public digital signature verification and e-contract services following 1 year of cooperation with these 2 units.
- Details of the cooperation agreement can be viewed at vimass.vn

11. Meetings of the BOD: 4 sessions in 2021, 1 session in January 2022. Meeting contents and BOD resolutions can be viewed at vimass.vn.

II. Plans for 2022:

1. Equipment purchases for the cultivation of 1 million multifunctional-card holders in 2022:

1.1 85K connectors (Type A and C) at 255K USD.

1.2 50K ACOS5-64KB digital signature chips (65K USD) to deliver to XCC RFID for card-making.

1.3 800K cards from China/Malaysia (to reach 1 million cards in 2022), 90% of which are UHF multifunctional cards, the other 10% are UHF multifunctional cards with digital signature), total value of 1,296,000 USD.

1.4 50K PN7462AU chips (214K USD) to deliver to reader manufacturers.

1.5 10K VR2 readers = 500K USD

1.6 5K VR4 readers = 400K USD

1.7 7K VPhone 22's = 560K USD

1.8 5K VTablet 22's (above 10 inch) = 500K USD

1.9 40 servers and firewalls, valued at 10 billion VND.

Total investment is at 3.79 million USD and 10 billion VND.

2. Human resource development and allowance for employees to contribute 5% of the capital stocks

- The year 2021 saw a rise from 11 to 31 employees with 7 times of salary rise (each by 10% to 15%). The total salary for January 2021 was 248 million VND and that for December 2021 was 698 million VND (a 2.81-fold increase).
- The first 2 months of 2022 saw the introduction of 3 new employees. It is expected that by December 2022, there will be about 90 to 130 employees at the head office and 6 to 10 branches. Salary is expected to rise 3 times, each by 15%.
- Request the GSM to acquiesce to the proposal of the BOD to allow salaried employees of Vimass to contribute up to 5% of the charter capital in March 2022 to incentivize a sustainable and longstanding development.

3. Domestic and international collaborations:

- Agribank, Vietinbank, Techcombank, ABBank, LPB, STB, MB, MSB: Connect to API of wire transfer and collection service via virtual account. Vimass plans to evenly allocate disbursements

or payments among banks which have similar fee rate and service quality to maintain longstanding and equitable relations.

- NAPAS: To be exempted from annual fee and with minimal card user fee in health, education, public transportation, public services, and taxation sectors.
- VNPAY: Request to un-restrict Vimass application to scan VNPAY QR at gas stations and to purchase tickets.
- MoMo: Request to connect disbursement-collection API between MoMo account of Vimass to other MoMo accounts.
- ZaloPay: Similar to request to MoMo.
- Viettel Money, VNPT PAY, Mobiphone Pay, PayTech: Similar to requests to MoMo, ZaloPay.
- VNPOST: Continue to negotiate the contract on cashless goods delivery of 16,000 postmen with more than 1 million transactions per day; and the contract for the deployment of financial inclusion at 1,000 communes and 8,143 communal cultural-post offices.
- One Mount: Request to provide payment, e-invoice, e-contract services and multifunctional cards for One Mount's network of 11 million customers and 165 thousand merchants/franchises.
- WinCommerce: Request to provide similar services as with One Mount.
- GHN và Ahamove: Similar to request to VNPOST.
- Grab, Gojek: Similar to request to VNPOST.
- International Fintech: Wechat Pay, Alipay, Toss, PayPal for cross-border payment; aimed at international tourists who wish to pay via app and native currency in Vietnam; aimed at Vietnamese tourists who wish to pay via Vietnamese financial apps and VND in other countries.
- Tinh Van Group, CMC, FPT, HN Polytechnic University, FPT University, Effect, Tiem, Nanosoft, other software developer teams: Cooperate to develop software using Vimass's infrastructure in according to the ratio 50% - 25% - 25% among Vimass – Software – Application Unit/Paying Party, respectively.

4. Deploy digital transformation projects (Digital Infrastructure, e-Government, Digital Economy, Digital Society, Digital Citizens):
 - Nam Dinh: Introduced by Shareholders Nguyen Trung Ha and Nguyen Duc Cu.
 - Phu Yen: Introduced by Shareholders Nguyen Trung Ha and Tran Viet Trung.
 - An Giang: Introduced by the Electronic Health Administration, Ministry of Health
 - HN, HCM, Da Nang, Can Tho, Hai Phong, Hue at the direction of the Government.
 - Provide: UHF multifunctional cards, UHF multifunctional cards with digital signature, readers, connectors, VPhones, VTablets, Cashless payment, e-invoice, e-contract, digital signature services.
5. Establish from 6 to 9 new Branches:
Nam Dinh, Phu Yen, An Giang, Da Nang, Can Tho, Hai Phong, Hue, Kien Giang, Thanh Hoa.
Expect HCM Branch to grow to 20 employees, each other branch from 10 to 15 employees.
6. Establish Vietnam QR joint stock company and other investments:
 - Estimated charter capital will be 6 billion VND, of which Vimass contributes 4 billion VND, salaried employees contribute 2 billion VND. Head office will be located at Floor 9, Lieu Giai, Hanoi. Website: qrvn.vn.

- QR VN JSC is an enterprise suitable for cooperating with individuals and organizations, both domestic and foreign, in programming, providing IT solutions and software to units wishing to transform digitally using Vimass's and Vimass – FIS – CMC TS joint venture's Payment infrastructure, e-Invoice, e-Contract, and Digital signature services.
 - QR VN JSC is an enterprise suitable for joint ventures and investments in other countries or cooperation with significant contacts in Vietnam (such as Ministries, Sectors, Local governments, etc.) as the enterprise can enlarge the benefits for relevant parties and make possible the application of the “mutual cooperation, mutual innovation, mutual enjoyment” mechanism.
 - Vimass/QR VN plans to consider investments in other countries:
 - + Hungary: As introduced by the BOD Chairman and Vice Chairman Vo Van Mai.
 - + Laos: As introduced by Shareholder Nguyen Duc Cu.
 - + Cuba: As introduced by Shareholder Tran Thanh Tu.
 - + China: As introduced by a number of providers of cards, readers, VPhones, and VTablets in Shenzhen.
 - Invite Chinese manufacturers working on Vimass's orders to invest in new plants in Vietnam to manufacture equipment and devices which Vimass has been widely distributing in Vietnam and other countries.
7. Negotiations with foreign investors and commercial loans
- Currently in discussion with the Fintech unicorn Viva Republica (South Korea, market valuation at 7.2 billion USD) to sell 10% of total stocks at the expected price of 80,000 VND per stock provided such purchase is executed before 5/31/2022 and at the expected price of 100,000 VND per stock if executed before 9/30/2022. The perk of this approach is that the Company can deal with the cumulative loss of more than 60 billion VND from the establishment date of 5/31/2012 to date, allowing the company to list all of its stocks on Vietnamese exchanges to ensure the rights and benefits of the shareholders.
 - It is predicted that financial investors would not wish to buy 10% of the Company, as such, the Company is leaning towards making commercial loans of 3.5 to 4 million USD from both domestic and international banks in order to acquire the first 1 million users, 15% of whom are expected to be active user with 100 transactions per annum.
 - To cultivate the next 10 million users, Vimass plans to mobilize 50 million USD in exchange of 10% of stocks or to make commercial loans totaled at 50 million USD for a 5-year term.
8. Expected 2022 revenue and profit:
- “Low” approach: Cultivate 500,000 users of Vimass wallet, multifunctional card; open up 5 more branches; profit after corporate tax > 15% of the charter capital.
 - “High” approach: Cultivate 1 million users of Vimass wallet, multifunctional card, open up 9 more branches, profit after corporate tax > 25% of the charter capital.
9. To collect shareholders' voting opinion: 10 voting items have been sent to the Shareholders. In particular, request article 9 to be amended to: “Agree on the establishment of Vietnam QR Joint Stock Company (QR VN) with a charter capital of 6 billion dong before 3/31/2022, in which

ViMASS contributes 4 billion dong and the employees contribute a total amount of 2 million dong, proportionate to the salary of each employee as of 3/15/2022. Agree to appoint Mr. Tran Viet Trung (Director General), representing 3 billion dong of contributed capital (50% charter capital), and Mr. Le Viet Tan (Director of HCM Branch), representing 1 billion dong of the contributed capital (16.67% charter capital) to the Board of Directors. Permit QR VN to invest, to form joint ventures, and to contact Ministries, Sectors, Provinces, Cities, domestic and foreign units to deploy similar services or to assist or to cooperate with ViMASS in accordance with the laws and without the use of ViMASS's current licenses".

Respectfully reporting.

Chairman of the Board/ Chief Executive Officer

Tran Viet Trung