

**HUONG GIANG TOURIST
JOINT STOCK COMPANY**

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Hue City, April ..., 2023

Draft

**REPORT OF THE BOARD OF MANAGEMENT
AT ANNUAL GENERAL MEETING OF SHAREHOLDERS 2023
(FISCAL YEAR 2022)**

A. Performance report in 2022:

I. Assessment on implementation of tasks assigned by General shareholders meeting (“GSM”):

The Annual General Meeting of Shareholders of Huong Giang Tourist Joint Stock Company held on April 26th, 2023 voted and approved on 09 contents. The results of some resolutions are as follows:

1. Regarding business results in 2022:

a. According to the resolution approved by the GSM:

(1) Profit after tax 2022 (loss): (19,312) million dong.

2) Plan to set up funds

- Welfare and reward fund: 0,0 %

- Remuneration of the BOM, BOS and Secretary: 0,0 %

(3) Average dividend payout for shareholders/ 1 share: 0 dong

b. According to the result of the audited financial statement in 2022:

According to the business results report, the target of profit after tax in 2022 made a loss of 5,980 million dong, reducing the loss compared to the plan of 13,332 million dong (the plan for 2022, the loss was 19,312 million dong).

The reasons for affecting the company's profit after-tax target in 2022 are explained in detail in the report of the Board of Directors.

2. Plan of dividend for 2022:

According to the results of the implementation of business targets in 2022, the profit after tax target is all a loss, so it is recommended to the General Meeting of Shareholders: **“Non distribute dividends to shareholders and non remuneration is paid by the Board of Management, and Board of Supervisors of year 2022”.**

3. Huong Giang Hotel Resort & Spa:

Regarding business results in 2022 of Huong Giang Hotel unit: From the end of the second quarter of 2022, when the Covid-19 pandemic situation has been gradually controlled, the hotel has prepared the necessary conditions to business organization serving customers. The targets of Revenue - Profit after tax in 2022 increased much with the set plan and compared to the same period in 2021, specifically:

Revenue in 2022 reached VND 36,133 million, increased by 80.1 % of the plan 2022 (increased VND 16,066 million) and increased by 303.2 % compared to the same period in 2021 (increased VND 27,172 million).

Profit after tax: The profit plan in 2022 is a loss of 5,830 million dong, but the actual profit in 2022 is: 4,273 million dong.

4. Huong Giang Travel Co., Ltd.

After transforming the business form from Huong Giang Travel One Member Limited Liability Company to Huong Giang Travel Company Limited in order to diversify financial resources and facilitate the development of business activities of the unit; At the same time, to upgrade the facilities of restaurant and catering services to serve tourists, the Company has invested in expanding the garden restaurant at 11 Le Loi with a capital of nearly 1 billion VND.

Completed in August 2022.

5. Renovation project at Le Cercle Sportif Restaurant 11 Le Loi:

According to the original plan, the Company has started construction work since November 2019, and would be completed in May 2020. However, the construction work was interrupted by the impact of the Covid 19 pandemic.

Up to now, after many efforts to overcome difficulties, the Company has completed the investment in upgrading the Festival Restaurant (including 02 phase), handed it over to the receiving unit which is Hotel De La Cite Imperiale Co., Ltd to put it into service at the beginning 2023.

6. The NAMA project:

Currently, the project has not started because the company is still waiting for the competent authorities of Thua Thien Hue province to adjust the detailed planning of Hue Imperial City to report to the Ministry of Culture, Sports and Tourism for appraisal and submission to the Prime Minister for approval. The company regularly monitors, captures, and coordinates with agencies and departments to promote the project to complete the procedures and start construction as soon as possible.

7. Expansion La Residence Hotel project (Azerai La Residence)

Hotel De La Cite Imperiale Co., Ltd has completed the relevant procedures to start the construction of the project. The company is monitoring the progress of the land use right auction of the project being implemented by the provincial agencies. After obtaining the land use right, the Company will implement the project.

8. Liquidation of joint venture contract at Saigon Morin Hue Co., Ltd.

In the year 2022, Saigon Morin Hotel was allowed to operate until the end of the year. Due to the complicated nature of the case and many issues related to the joint venture, HGT and SGT still need more time to work and discuss the most beneficial option for the two investors.

II. Executive management:

1. Organization and personnel:

In 2022, the Board of Management held 07 indirect meetings (collecting written opinions).

Some resolutions that the Board of Management issued in 2022 include:

- Resolution No. 01/22/NQ-BOM dated March 1, 2022 on approval the plan to organize the Annual General Meeting of Shareholders in 2022, fiscal year 2021;

- Resolution No. 03/22/ NQ-BOM dated March 30, 2022 on approval the contents of documents serving the General Meeting of Shareholders of Huong Giang Tourist Joint Stock Company in 2022;

- Resolution No. 04/22/NQ-BOM dated March 30, 2022 on approval of the policy to allow Saigon Morin Hue Co., Ltd. to operate until June 30, 2022;

- Resolution No. 06/22/NQ-BOM dated April 27, 2022 on the appointment of Chairman of the Management Board of Huong Giang Tourist Joint Stock Company for the term 2021 – 2026;

- Resolution No. 07/22/NQ-BOM dated April 27, 2022 on Appointment of Senior Counselor of Huong Giang Tourist Joint Stock Company for the term 2021 - 2026;

- Resolution No. 10/22/NQ-BOM dated April 27, 2022 on Change of legal representative of the Company;

- Resolution No. 11/22/NQ-BOM dated June 18, 2022 on approval of the borrowing of capital for HGT's operation and mortgaging the entire capital contribution of HGT at HGTr to secure the loan repayment obligation of Crystal Treasure Limited;

- Resolution No. 12/22/QD-BOM dated June 19, 2022 on Approval of the second phase estimate of the Festival restaurant upgrading project;

- Resolution No. 17/22/QD-BOM dated October 25, 2022 on approval of business results in the first 9 months of 2022 and the implementation of HGT Group's projects;

- Decision No. 19/22/QD-BOM dated December 30, 2022 on approval of estimates for the implementation of business results in 2022 and business plan in 2023 of HGT;

2. Salary and remuneration of the Board of Management, Board of Supervisors and Board of Directors of the Company

Due to the loss of business results in 2022, the Company does not pay remuneration to the members of the Management Board and the Supervisory Board.

The total salary (NET) of the Board of Directors in 2022 is: VND 1.181.250,000/year.

3. Regarding the selection of an auditing company to audit financial statements in 2022. The Annual General Meeting of Shareholders approved a list of 03 companies. At the request of the Supervisory Board, the Management Board approved the selection of AASC Auditing Firm Co., Ltd. to audit the financial statements in 2022.

4. Evaluation of the activities of the independent members of the BOM and the implementation of the BOM resolutions:

In 2022, the Board of Management (“BOM”) held meetings in accordance with the provisions of the Company's Charter. The members of the Management Board who do not participate in the management of the Company fully participate in the Annual General Meeting of Shareholders and the BOM meetings. The BOM meetings are mainly to review and evaluate the implementation of the Company's production and business plans, and to promptly adjust the Company's business policies and strategies to suit the actual situation, analyze and measure risks and promptly solve arising problems and issues. In addition to regular meetings, the Board of Management considered and given written comments on arising in business activities that are out of the plan or beyond the authority of the Board of Directors.

Regarding the implementation of the Resolutions of the BOM: The Board of Directors of the Company always closely followed and complied with the contents of the Resolution to fully and timely implement it, ensuring progress and quality.

Through the inspection and supervision mechanism, the BOM assessed that the Board of Directors had performed the assigned rights and duties in accordance with the provisions of the current Law, the Company's Charter, Resolution of the General Meeting of Shareholders and the Board of Management, and at the same time exercise their assigned rights and duties carefully, ensuring the maximum legitimate interests of the Company and its shareholders.

B. Operation orientation of the Board of Management in 2023:

Comply with the provisions of law, the company's charter and resolutions of the General Meeting of Shareholders when performing the functions, rights and duties of the Management Board. Members of the Management Board perform their duties honestly and carefully for the benefit of the Company.

Pursuant to the Charter and issued regulations, the Management Board continues to perform well their functions, duties and rights with respect to business activities, organization and operation of the company. Decentralize, monitor and supervise the Board of Directors in managing daily business activities, deciding to organize the implementation of investment and repair projects according to decisions, resolutions, business plans and operation direction assigned by the Management Board and the General Meeting of Shareholders.

The Management Board exercises the rights and obligations of shareholders, capital contributors and joint venture members through the management of the Representative of HGT's investment capital in other enterprises. The Management Board regularly directs the Representatives to exercise the rights of HGT in other enterprises in accordance with the law and the charter of that enterprise on the principle of not harming the interests of enterprises and other shareholders.

I. Projects of the Company:

1. Azerai-La Residence Hotel land expanding project - 05 Le Loi, Hue

Continue to follow closely and send a written request to the leaders of the Provincial People's Committee, the departments of Thua Thien Hue province to soon

support the Company to complete the relevant procedures for the project's land use rights according to the new regulations so that the project can be started construction.

2. NAMA Project:

Regularly collect information from the Provincial People's Committee, the Department of Culture and Sports and the Hue Monuments Conservation Center in completing the Task of Planning to preserve and promote the value of Hue Monuments Complex until 2030. On the basis of the new planning task, the project's land area will be adjusted out of the relic protection zone, converted the use purpose into commercial and service land, carried out the procedures for land lease, issue a building permit for the project.

3. Saigon Morin Hue Co., Ltd.

Continue to direct the capital representative of HGT at the joint venture Saigon Morin Hue Co., Ltd. to work with SGT and the management level to propose the most profitable option for two investors. Suggest that the General Meeting of Shareholders authorize the Company's Board of Management to decide on the appropriate plan at the joint venture of Saigon Morin Hue Co., Ltd in the coming time.

4. Transfer of contributed capital in the uncontrolled joint venture companies:

Looking for suitable partners to make plan on transferring of part or all of HGT's contributed capital in uncontrolled joint venture companies with inefficient business activities. The recovered capital will be reinvested in potential future projects.

5. Implement business targets in 2023:

The Board of Management believes that business activities in 2023 will continue to face difficulties due to the economic recession, price slippage and unpredictable inflation. Based on the proposal of the General Director and functional departments, the business plan targets for 2023 are developed as follows:

(1) Expected profit after tax of the Company in 2023 (loss): (2,867) million VND

(2) Plan for setting up funds: No setting aside funds and no remuneration of the Board of Management and Board of Supervisors;

(3) Not paying dividends because business results loss;

II. Executive management

1. Maintain Board of Management meetings once a quarter to evaluate the business performance of the Board of Directors as well as monitor the implementation of resolutions of the General Meeting of Shareholders and resolutions of the Board of Management has issued.

2. Continue to strengthen the management at the joint venture companies, improve the service quality at the affiliated units, focus on completing the unfinished investment projects to soon put them into operation, increase the scale and revenue for the Company. Seeking investment cooperation opportunities in the future to enhance the position and develop the brand of the Company.

3. Improve the capacity and responsibility of managers at all levels; strengthen training, human resource development, rationally restructure the labor force, improve labor productivity.

Dear valued Shareholders!

The Board of Management would like to thank the shareholders for your cooperation and sharing with the Board of Management over the past time. The Board of Management always aims at perfecting the management method, continuing to make more efforts to improve the business performance of the Company./.

**For. BOARD OF MANAGEMENT
CHAIRMAN**

Toshihiko Takahashi