

Hue, November 30, 2020

THE REPORT OF BOARD OF SUPERVISOR
THE ANNUAL GENERAL MEETING OF SHAREHOLDERS 2020

Kindly to Shareholders,

Board of Supervisor “BOS” reports to the Annual General Meeting of Shareholders (“GMS”) in 2020 about the results of activities of BOS in 2019 and plans for 2020 as follows

A. RESULTS OF ACTIVITY IN 2019:

1. Summary of BOS’s main activities:

a. Human source:

In year, a number of BOS’s member are:

Mr. Hồ Minh Quốc	Head
Mrs. Đào Thị Chinh	Member
Mrs. Fumiyo Okuda	Member

Date on 18-11-2019, Mr. Hồ Minh Quốc resigned as Head of BOS.

Date on 13-05-2020, Ms. Đào Thị Chinh resigned as Member of BOS.

Pursuant to the Charter of Huong Giang JSC revised for the 5th time on 22-4-2017:

Point c Clause 5 Article 36:

“5. Dismissal or removal of members of the BOS:

Members of the BOS no longer have membership status in the following cases:

*c. Submit resignation letter **and get approved** ”*

And Point e Clause 2 Article 14:

“2. The annual and extraordinary General Meeting of Shareholders approves a written decision on the following issues:

e. Elect, dismiss and replace members of the BOD and BOS ”

From the above two provisions, the fact that Mr. Hồ Minh Quốc and Ms. Đào Thị Chinh have resigned, however, must be approved in writing by the GMS in order to be dismissed as a member of BOS.

Therefore, at this Annual General Meeting of Shareholders, the BOS asked the GMS to consider approving the resignation letter of Mr. Hồ Minh Quốc and Ms. Đào Thị Chinh and concurrently elect 02 additional members to the BOS.

b. Main activities of BOS:

In year 2019, BOS implemented the inspection and supervision of compliance with law of enterprise, charter of company, resolution of GMS 2019 in management and operation of company as following:

- Supervising situation of corporate management, operation and execution of the GMS's resolutions.
- Supervising and controlling issuance of resolutions by BOD and BOM.
- Contribute to, comment on and supervise the drafting of the Company's Charter and internal governance regulations in accordance with the Government's guidance in Decree No. 71/2017 / ND-CP dated June 6, 2017 and Circular No. 95/2017 / TT-BTC dated September 22, 2017.
- Supporting in accounting, auditing. Cooperating to internal controller in supervise and control activity, compliance policy.
- Monitoring and revaluating monthly financial statement.
- Monitoring and evaluating the completeness and honesty of the Financial Statements 2019.
- Monitoring and auditing investment activity, Construction in Process based on Resolution of GMS.
- Proposing the selection of audit firm for Financial Statements 2019

2. Revalue The Financial Statement in 2019 and propose audit firm for year 2020:

BOS unanimously agree on figures in audited Separate and Consolidated financial statement 2019 and audit's opinion of AASC (attached financial statement 2019 – separate and consolidated).

In 2019, the profit after tax of the Consolidated Financial Statements is VND 3,753 million, equivalent to 51.9% of the plan (the plan of 2019 is VND 7,231 million). The main reason affecting the business results is that in 2019, the subsidiary of Huong Giang Travel and the associate company Hotel de La Cite im Freriale achieved low profit compared to the plan.

Propose audit company for 2020

After reviewing capacity profile, experience, and based on the quality of auditing services performed by AASC Auditing Co., Ltd. in 2018 & 2019. BOS proposes to select AASC Auditing Co.,Ltd to be the auditor of the financial statements in 2020, and select Ernst & Young Co., Ltd., KPMG Co., Ltd. as two potential audit firms in case AASC Auditing Co.,Ltd gives an unreasonable fee and report issuance time.

3. Result of monitoring and supervising issuance of resolutions by BOM:

In 2019, the BOM held 04 meetings, including 03 indirect meetings (collecting written opinions) and 01 direct meeting. The BOM has issued 07 Resolutions to support business administration activities of the company.

The meetings of BOM were convened and held under the regulations of charter of company.

The resolutions of BOM were issued legally based on authorization of BOM in accordance with charter of company.

4. Result of monitoring and supervising issuance of resolutions by BOD:

- In 2019, the BOD has implemented and complied with the Resolutions and Decisions of the BOM.
- The BOD has directed and operated the business operations in 2019 in accordance with the BOM's orientations.

B. Recommendation:

- Recommend the BOM to soon complete the securities depository registration at the Vietnam Securities Depository ("VSD") and list stocks on the UPCOM in 2020.
- Recommend BOM & BOD prepare and issues procedure/policy for management of capital representation of company at associated enterprises to reevaluate obligations, rights of representatives under the regulations of law
- Recommend BOM reviews and evaluates effective & efficient in using capital at associate companies. Monitoring and controlling business investment activities and process of project.
- Recommend BOM performs the process/policy in evaluating percentage of work complete of leader/ capital representation of HG JSC at associated company.
- Recommend BOD formulates a business recovery plan after the Covid-19 epidemic and take cost-cutting measures to overcome the difficult period in 2020.

C. ANNUAL PLAN OF BOS IN 2020:

- To supervise situation of corporate management, operation and execution of the GMS's resolutions.
- To supervise issuance of resolutions by BOD and BOM for review and monitoring business operation activity.
- To cooperate external audit in reevaluate and audit the financial statement and business activities in 2020.
- To monitor, supervise business contracts according to Resolution of GMS.
- To supervise situation of investment, constructions and project management, asset management.
- To cooperate relevant departments in order to monitor and control budget and actual activities.

The above is main report of the main activities of BOS in 2019 and orientation for 2020.

We wish the meeting a success.

Thanks and Regards.

Recipient:

- *Shareholders;*
- *BOM;*
- *BOD;*
- *Luu: VT, BKS.*

**On Behalf of BOS
Member**

Fumiyo Okuda