

**HUONG GIANG TOURIST
JOINT STOCK COMPANY**
**SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness**
Hue City, April ..., 2022

Draft

REPORT OF THE GENERAL DIRECTOR OF THE COMPANY
**On business results in 2021 and business plan in 2022
At the Annual General Meeting of Shareholders in 2022**

I. Business results in 2021
1. Factors affecting business results in 2021:

2021 is the second year of a severe recession in the global economy. The outbreak and spread of the Covid-19 pandemic caused supply chains to be disrupted and consumption demand declines sharply. In Vietnam, the tourism business continues to face great difficulties due to the outbreak of the Covid-19 epidemic with Delta and Omicron variants. The high number of new infections and the high death rate due to the epidemic have seriously affected the business results of the whole Company.

2. Business performance results in 2021

No.	Target	Unit	Actual 2020	Plan 2021	Actual 2021	Act 2021/ Act 2020 (%)	Act 2021/ Plan2021 (%)
1	Sales and service delivery revenue	million dong	18,703	15,315	8,961	47.91	58.51
2	Cost of goods sold	"	20,449	17,417	14,611	71.45	83.89
3	Sales and service delivery gross profit	"	(1,745)	(2,103)	(5,650)	-	-
4	<i>Revenue from financial operations</i>	"	1,450	950	1,130	77.89	118.90
5	<i>Financial expenses</i>	"	9,780	14,419	16,117	164.79	-
	<i>In which: loan interest</i>		-	-	37	-	-
6	<i>Sales expenses</i>		1,304	928	525	50.79	56.59
7	<i>Enterprise management expenses</i>	"	12,025	12,790	8,732	72.62	68.27
8	Net Profit from business activities	"	(23,134)	(29,289)	(29,894)	-	-
9	<i>Other incomes</i>	"	751	-	18	2.42	-
10	<i>Other expenses</i>	"	11,271	1,953	1,345	11.94	89.89
11	Other profits	"	(10,519)	(1,953)	(1,327)	-	-
12	Accounting profit before tax	"	(33,653)	(31,242)	(31,221)	-	-
13	Current corporate income tax expense						
14	Profit after corporate income tax	"	(33,653)	(31,242)	(31,221)	-	-

According to the business results report, the target of profit after tax in 2021 made a loss of 31,221 million dong, reducing the loss compared to the plan is 21 million dong (the plan 2021, the loss is 31,242 million dong).

3. Cause analysis and performance results:
3.1 Huong Giang Hotel Resort & Spa:

Regarding the business results of Huong Giang Hotel in 2021, due to the continued influence of the Covid-19 pandemic, the targets of Revenue - Profit after tax

in 2021 decreased compared to the set plan and compared to the same period last year 2020, specifically:

Revenue in 2021 realized VND 8,961 million, reaching 58.51% of the plan 2021 (decreased VND 6,354 million) and decreased 47.91% compared to the same period in 2020 (decreased VND 9,742 million).

Profit after tax: a loss of 8,617 million VND, compared to the same period in 2020 with a loss of 6,861 million VND.

3.2 Huong Giang Travel Company Limited:

Regarding business results in 2021, the target of sales of goods and services is 4,425 million VND, decreased 58% compared to the same period in 2020 (decreased 6,134 million VND); Profit after tax: loss of 2,047 million VND, compared to the same period in 2020 profit after tax loss of 4,323 million VND.

3.3 Hotel De La Cite Imperiale Company Limited:

Regarding business results in 2021, the target of sales of goods and services is 8,352 million VND, decreased 67% compared to the same period in 2020 (decreased 17,574 million VND); Profit after tax: a loss of 28,792 million VND, compared to the same period in 2020 profit after tax loss of 27,017 million VND.

3.4 Saigon Morin Hue Company Limited:

Due to the expiration of the joint venture contract between Huong Giang Tourist Joint Stock Company and Saigon Tourist Corporation (Saigon tourist), the Board of Members has limited the investment in replacing tools and service equipments for business activities at departments such as housekeeping, restaurants and other services and currently the Company is operating in a short-term extension (by each phase).

Regarding business results in 2021, the target of sales of goods and services is 14,178 million dong, decreased 35% compared to the same period in 2020 (decreased 7,665 million dong); Profit after tax: a loss of 9,412 million VND, compared to the same period in 2020 profit after tax a loss of 6,378 million VND.

3.5 Lang Co Tourist Company Limited:

Regarding business results in 2021, the target of sales of goods and services in 2021 is VND 3,518 million, decreased 68% compared to the same period in 2020 (decreased VND 7,586 million); Profit after tax: a loss of 2,593 million VND, compared to the same period in 2020 profit after tax a loss of 3,626 million VND.

II. Performance result of projects:

1. Project at 85 Nguyen Chi Dieu – NAMA resort.

According to the original plan, the construction will be started in May 2018 and completed in April 2019. However, at present, 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 in order 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 authorities and departments to promote the project to complete the procedures and start construction as soon as possible.

2. Expansion project of La Residence hotel (Azerai La Residence)

Up to now, Hotel De La Cite Imperiale Company Limited. has completed the relevant procedures to start construction. However, at the request of the People's Committee of Thua Thien Hue province, the project must re-implement the process of renting land from the beginning. Specifically, the auction of the project's land use rights and is being implemented by authorities and departments and after obtaining the land use right, the Company will implement the project.

3. Liquidation of joint venture agreement at Saigon Morin Co., Ltd.

The deadline for the joint venture contract to end is on June 30, 2016 and the Board of Members of the Company has passed many resolutions approving the termination of the joint venture. Huong Giang Tourist Joint Stock Company has prepared financial resources to pay the value of liquidation of assets at Saigon Morin Hue Hotel for partners. At the same time, develop a plan to receive, renovate and operate the Hotel with a new brand name.

However, the liquidation of the joint venture contract between Saigon Tourist Corporation and Huong Giang Tourist Joint Stock Company at the joint venture Saigon Morin Hue Hotel is still being discussed by both parties to complete the procedures to terminate the operation of the joint venture although the Board of Member of Saigon Morin Hue Co., Ltd. had issued many resolutions related to the liquidation and dissolution of the joint venture. Currently, the Board of Member of Saigon Morin Hue Co., Ltd. has allowed Saigon Morin Hue Hotel to continue operating until June 30, 2022 so that SGT has more time to consult with the management, the City Party Committee, Ho Chi Minh City People's Committee and the Ministry of Finance on the plan to liquidate the Joint Venture Contract in accordance with the law.

4. Project of upgrading Tourist Service Center Festival 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 epidemic.

Up to now, after many efforts to overcome difficulties, the Company has completed the investment in upgrading the Festival Restaurant, handed it over to the receiving unit which is Azerai La Residence Hotel to put it into service in 2022.

III. Performance result of other tasks

1. Regarding investment and purchasing:

- At Huong Giang Hotel: due to the serious impact of the Covid pandemic, the business situation is very difficult, the hotel has calculated and carefully considered the procurement of equipments for business activities, only purchasing items that are really needed, items that are damaged beyond repair, etc.

The total value of investment and purchasing in 2021 at the hotel is about 190 million VND from the source of asset depreciation.

- At Huong Giang Travel One Member Limited Liability Company: in 2021 the business activities of the company are very difficult, so the company has saved in procurement, hardly new purchases.

2. Regarding financial work:

The financial situation of the Company during the year is always reflected honestly, timely and transparently. Strictly implementing the regime of management of

capital and asset use, profit distribution, financial management and accounting regime in accordance with the law. Fully implement the purchase of property insurance and make provisions according to the provisions of law. Reviewed semi-annual and year-end audit results as prescribed. Maintain inspection and control of cash flow at the subsidiaries and branch. Implement effective cost control, GOP gross profit ratio. Actively collect debts, reduce receivables and bad debts.

Carried out the procedures as prescribed by law to transfer 51% of the appraised equity of Huong Giang Tourist JSC at Huong Giang Travel One Member Limited Liability Company to a partner. Transfer value: 4,603,770,000 VND (equivalent to 200,164 USD). After transferring a part of equity to the partner, Huong Giang Travel One Member Limited Liability Company had been converted into a 2-member limited liability company.

3. Regarding Administration and Human Resource management

In 2021, despite facing difficulties due to the pandemic situation, the Board of Directors has assigned responsibilities to run and manage all activities of the Company and participate in and timely handle the requirements of the local government and relevant authorities.

Consolidated re-arranged the Secretary team of the BOM and appointed the position of Person in charge of corporate governance in accordance with the provisions of the Enterprise Law. Fully implement reporting regimes to the BOM, disclose relevant information about the Company's operations in accordance with the law. Timely prepare reports and proposals for opinions of the BOM on issues in accordance with the provisions of the Charter and fully implement the resolutions of the BOM of the Company.

Proactively develop a plan to arrange personnel appropriately when the pandemic occurs. Specifically, actively reduced working days and salaries of all employees. Continue to suspend the labor contract, terminate the labor contract, only maintain the force to protect and maintain the property and receive 50% of the salary. Ensure minimum insurance policies for employees during closure and contract suspension.

Continue to perform centralized record at the Company's Human Resources Department. Deploying legal service contracts to advise on the Company's activities. Update the State's changes in human resource policy to adjust accordingly, in accordance with the law, regulations and development orientation of the Company such as: policy on regional minimum wages, participation in insurance of the Employee, the provisions on retirement benefits and other relevant regulations.

4. General assessment:

In the past year, the pandemic situation has had a great impact on the Company's business results, income, employment and employees' psychology. The company has implemented flexible policies, ensuring the harmony of interests between businesses and employees. At the same time, the Company also recognized the positive contributions and difficult sharing from the leaders of the units and from the employees to the Company during the pandemic.

Despite many difficulties, the subsidiaries and branch have made efforts to open more services, to generate revenue, to maintain facilities against deterioration. Prepare facilities to serve guests when the situation changes in a positive direction.

IV. Business Plan 2022:

1. General perception

With the ability to cover the 2nd and 3rd doses of vaccines for citizen, in 2022 the pandemic situation will be able to be controlled and proceed to consider Covid-19 as an endemic disease. The government has continued to implement a visa-free entry plan for 13 countries. International flights to Vietnam have been opened. Domestic tourism has shown signs of improvement. The local government has implemented activities to be ready to welcome guests in the coming time.

2. Business targets:

Facing the forecast that the situation of 2022 will continue to face difficulties due to the impact of the Covid-19 pandemic, based on the forecast of each unit's business plan, the Board of Directors has developed a general business plan for 2022 of the whole company as follows:

Net Revenue:	25,754 million dong.
Profit after tax:	19,311 million dong.

Specific by unit:

a. Huong Giang Hotel Resort & Spa

No.	Target	Unit	Business Plan 2021
1	Total number of rooms sold	room	16,043
2	Room occupancy	%	26.97
3	Average room rate (include VAT, service fee)	VND/room/night	908,182
4	Total net revenue (include service fee)	VND million	20,067
5	Total cost	VND million	25,897
6	Profit before tax	VND million	(5,830)

b. Head Office of Huong Giang Tourist JSC

No.	Target	Unit	Revised Business Plan 2021
1	Revenue from financial operations	VND million	5,687
	<i>In which:</i>		470
	- Interest on deposits and loans		5,217
2	Total cost	VND million	19,168
	<i>In which:</i>		
A	Operating costs and depreciation of fixed assets	VND million	7,690
B	Provision expenses for JV	VND million	7,308
	<i>JV Hotel De La Cite Imperiale Co., Ltd</i>	“	3,207
	<i>JV Lang Co Tourist Co., Ltd</i>	“	1,476
	<i>JV Saigon Morin Co., Ltd</i>	“	2,625
	<i>Huong Giang Travel Co., Ltd</i>	“	-
C	Cost at 11 Le Loi	VND million	4,170
3	Profit after tax	VND million	(13,481)

3. Main solutions:

- Review the conditions of facilities to have a plan for maintenance, replacement, investment to be ready to serve guests. Focus on investing in sales and brand promotion.

- Make a plan to arrange and supplement enough human resources to serve guests.

- Continue to maintain services such as BBQ and coffee to serve domestic and local guests to diversify revenue sources.

- Continue to effectively implement financial solutions in operating cash flow, structuring loans to ensure capital for business activities and investment development in the 2022 plan. Urging units to actively collect debts to ensure operating cash flow.

- Supplement and complete internal management regulations. Focusing on management reports, periodical reports, and abnormal reports from the units. Improve governance work, especially cost management through optimizing the organizational structure, management model, cutting inessential costs.

- Ensuring safety and security, disease prevention, fire prevention, flood and storm control, occupational safety and hygiene, food hygiene.

The above is the report of the General Director of the Company on business results in 2020 and business plan in 2021. Kindly submit to the General Meeting of Shareholders of the Company.

GENERAL DIRECTOR

Johnny Cheung Ching Fu