

**HUONG GIANG TOURIST
JOINT STOCK COMPANY**
**SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness**
Hue City, Aprilth, 2025
REPORT OF THE GENERAL DIRECTOR OF THE COMPANY
**On business results in 2024 and business plan in 2025
At 2025 Annual General Meeting of Shareholders**

Draft

I. Business results in 2024
1. Factors affecting business results in 2024:

Advantages: Infrastructure at local destinations has been upgraded and improved compared to before; Many cultural festivals and entertainment events have attracted visitors to the locality; Hue cultural heritage has been restored, preserved and exploited reasonably for sustainable tourism development; Phu Bai International Airport has been completed and put into use; The recovery of Vietnam's tourism industry is quite good.

Difficulties: Conflicts and wars in some countries have affected the number of visitors to Vietnam. Night tourism products and entertainment activities are still lacking and unattractive to tourists; there is a lack of major cultural, artistic and sporting events. The global economic recession; high inflation, tightening spending trends, rising input costs, etc. have put great pressure on production costs and product prices, directly affecting the business results of enterprises.

2. Business performance results in 2024

No.	Target	Unit	Actual 2023	Plan 2024	Actual 2024	Act 20243/ Act 2023 (%)	Act 2024/ Plan2024 (%)
1	Sales and service delivery revenue	million dong	51,056	56,436	57,444	112.5	101.8
2	Cost of goods sold	"	36,287	41,430	44,002	121.3	106.2
3	Sales and service delivery gross profit	"	14,769	15,006	13,442	91.0	89.6
4	<i>Revenue from financial operations</i>	"	1,470	1,121	80,534	5,479	7,184
5	<i>Financial expenses</i>	"	1,369	1,976	4,964	362.6	251.2
	<i>In which: loan interest</i>		2,299	1,976	1,758	76.5	89
6	<i>Sales expenses</i>		1,035	1,178	1,341	129.6	113.8
7	<i>Enterprise management expenses</i>	"	12,892	16,383	19,939	154.7	121.7
8	Net Profit from business activities	"	943	(3,410)	67,732	7,183	
9	<i>Other incomes</i>	"	59	-	31	52.5	
10	<i>Other expenses</i>	"	-	-	934		
11	Other profits	"	59	-	(903)		
12	Accounting profit before tax	"	1,002	(3,410)	66,828		
13	Current corporate income tax expense				2,196		
14	Profit after corporate income tax	"	1,002	(3,410)	64,632	-	-

According to the business results report, the target of profit after tax in 2024 made a profit of VND 64,632 million, increasing the profit compared to the plan is

VND 68,042 million (the plan 2024, the loss is VND 3,410 million). Profit mainly from the transfer of all HGT's capital at Lang Co Tourist Company Limited.

3. Cause analysis and performance results:

3.1 Huong Giang Hotel Resort & Spa:

Regarding the business results in 2024 of Huong Giang Hotel, Huong Giang Hotel continued to have revenue growth in 2024, however, due to no longer receiving land rent incentives like in 2023, business results decreased compared to 2023, specifically:

Revenue in 2024 is VND 51,282 million, an increase of 16% compared to the same period in 2023. Profit before tax: profit of VND 4,911 million, an increase of 14% compared to the 2024 plan and decrease 21% compared to 2023.

3.2 Huong Giang Travel Company Limited:

Regarding business performance results in 2024, the target revenue from sales of goods and services is VND 19,625 million, decrease of 8% compared to the same period in 2023; Profit after tax: loss of VND 4,460 million VND, increase loss of 83% compared to the same period in 2023.

3.3 Hotel De La Cite Imperiale Company Limited:

Regarding business results in 2024, the target of sales of goods and services is VND 82,397 million, an increase of 17% over the same period in 2023; Profit after tax: loss of VND 10,487 million, decrease loss by 44% over the same period in 2023.

3.4 Saigon Morin Hue Company Limited:

Regarding business results in 2024, the target revenue from sales of goods and services is VND 61,867 million, an increase of 8% compared to the same period in 2023; Profit after tax: VND 7,440 million, decrease of 41% over the same period in 2023.

3.5 Lang Co Tourist Company Limited:

In exercising the rights and obligations of the Company Management Board according to the Charter, after a period of evaluating the situation and business performance at Lang Co Tourist Company Limited, the Management Board of the Company agreed to transfer the entire capital that Huong Giang Tourist Joint Stock Company is holding and owning in the charter capital of Lang Co Tourist Company Limited, which is 4 billion VND, equivalent to 40% of the total charter capital of Lang Co Tourist Company Limited. The selling price of the entire capital contribution of Huong Giang Tourist Joint Stock Company is 84 billion VND (including taxes, debts, financial obligations, and remaining material responsibilities). The Company will use a portion of the revenue from this capital transfer to upgrade facilities at Huong Giang Hotel and other potential projects.

II. Performance result of projects:

1. Project at 85 Nguyen Chi Dieu – NAMA resort

In 2024, Citadel Investment Tourist Co., Ltd has restructured the Company's apparatus, changed the Legal Representative and changed business registration information.

On December 19, 2024, the People's Committee of Thua Thien Hue province (now the People's Committee of Hue city) issued Decision No. 3280/QD-UBND on approving

the zoning plan (scale 1/2000) of Hue Citadel area and Decision No. 2871/QD-UBND dated November 7, 2024 approving the adjustment of the land use plan to 2030.

Currently, the Company is preparing the conditions to carry out investment procedures such as: Report on project implementation status; Decision on investment project adjustment; Letter on requesting investment project adjustment. Continue to monitor, grasp, and coordinate with the departments and agencies of Hue city to soon implement the project after being allocated land and granted a construction permit by the City People's Committee.

2. Joint venture agreement at Saigon Morin Co., Ltd

The 2023 General Meeting of Shareholders of Huong Giang Tourist Joint Stock Company passed a resolution assigning the Management Board of the Company to carry out tasks related to the operations of Saigon Morin Hue Company Limited. After a period of negotiation between the two parties, on December 18, 2024, Huong Giang Tourist Joint Stock Company and Saigon Tourist Group agreed to sign agreement to extend the joint venture at Saigon Morin Hue Company Limited until August 4, 2044. Currently, Saigon Morin Hue Company Limited is completing the Charter of Operations and upgrading and renovating a number of items at the hotel to improve business efficiency.

III. Performance result of other tasks

1. *Regarding investment and purchasing:*

- At Huong Giang Hotel: In 2024, the hotel has only purchased items that were truly necessary, items that were damaged beyond repair from the unit's asset depreciation source. However, because the facilities have been built for more than 40 years, they have seriously degraded. Therefore, in order to ensure the standards of facilities and enhance competitiveness in the tourism market in the context of newly built large hotels preparing to welcome guests, the Board of Directors has reported to the Board of Management to decide to allocate a large budget to upgrade Huong Giang Hotel in 2025.

- At Huong Giang Travel Co., Ltd: in 2024, the unit's business activities are facing many difficulties, so the unit has saved money on purchasing and only focused on investing and upgrading for Festival restaurant activities at 11 Le Loi.

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. Perform well Tax work and obligations to the State according to regulations.

Fully implement the purchase of property insurance, make provisions and carry forward costs related to completed projects according to the provisions of law. Reviewed semi-annual and year-end financial statements audit as prescribed. Maintain inspection and control of cash flow at the subsidiaries and branch. Implement effectively cost control, cost of goods sold, GOP gross profit ratio. Actively collect debts, reduce receivables and bad debts.

3. *Regarding Administration and Human Resource management*

The Board of Directors of the Company has managed the daily operations of the Company based on the functions and tasks prescribed in the Charter of HGT's operations and the provisions of law, ensuring accuracy and consistency.

Carry out procedures to seek approval from the Management Board of the Company for matters under the approval authority of the Management Board. Organize full and timely implementation of the Resolutions and Decisions of the Management Board of the Company in the fields of investment, finance, human resources and business operations.

Maintain the meeting schedule of the Board of Directors with functional departments to evaluate the implementation of work. Perform monthly reports on the overview of the operations of the Company's Office and affiliated units to the Chairman and members of the Management Board to promptly adjust, supplement and decide on flexible policies for the Company's operations.

Implement procedures for periodic and ad hoc information disclosure, reports to the State Securities Commission, Hanoi Stock Exchange, Vietnam Securities Depository and Clearing Corporation regarding shareholder management, transactions of major shareholders, and related persons of the Company in accordance with the provisions of law.

Fully implement the delivery, receipt, circulation, monitoring and storage of records from relevant agencies as well as records within the Company. Maintain the organization of evaluating the employee performance of each individual to have a basis for implementing labor policies.

Continue to effectively carry out the assignment and division of tasks within the Company's Board of Directors to operate and manage all activities of the Company and participate in and promptly resolve requests from local authorities and relevant agencies, especially for the Company's projects.

4. General assessment:

Despite the difficulties caused by economic recession, price slippage, and high inflation, the units have made efforts to find suitable solutions to exploit the traditional customer market to the fullest, actively expanding relationships with partners with large and potential customer sources. Focus on improving the quality and professionalism of products and services. Diversify the approach and promotion of products to customers. Focus on investing in repairing and upgrading business facilities in accordance with financial capacity to serve customers. Therefore, besides some units that have not yet achieved effective operations, the business results of the remaining units tend to develop well. In addition, some units need to have a restructuring plan, invest in repairing to upgrade facilities to meet requirements.

IV. Business Plan 2025:

1. Business targets:

In addition to the advantages, the tourism business situation in 2025 is forecasted to continue to face objective difficulties. Based on each unit's business plan forecast, the Company's Board of Directors develops a business plan for the whole company in 2025 as follows:

Revenue & Financial Income: **VND 55,023 million.**

Profit after tax (loss): **VND 4,669 million.**

Specific by unit:

a. Huong Giang Hotel Resort & Spa

No.	Target	Unit	Business Plan 2025
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1	Total net revenue (include service fee)	VND million	47,616
2	Total cost	VND million	46,305
3	Profit before tax	VND million	1,310

b. Head Office of Huong Giang Tourist JSC

No.	Target	Unit	Business Plan 2025
	Total net revenue	VND million	7,880
	<i>In which:</i>		
1	- Revenue from financial activities		2,733
	- Revenue from Facility 11 Le Loi		4,802
	- Other revenue:		273
2	Total cost	VND million	13,787
	<i>In which:</i>		
A	Operating costs and depreciation of fixed assets	VND million	11,996
B	Interest expenses	VND million	838
C	Cost at unit 11 Le Loi	VND million	954
3	Profit after tax	VND million	(5,980)

2. Main solutions:

Implementing the upgrade of 80 bedrooms, garden lighting system, reception hall, exterior items on the riverbank, etc. at Huong Giang Hotel. Reviewing the current status, conditions of facilities and forecast of guest numbers at each time to make appropriate investment and repair plans.

Prepare necessary procedures, investment capital and conditions to implement the NAMA project when the City People's Committee decides to allocate land and grant a construction permit.

Take necessary measures to maintain relationships with traditional customers; Upgrade and diversify approaches to new customers. Collect data to selectively exploit new, potential customers, especially those with high payment capacity; Implement appropriate short-term promotion policies; Focus on exploiting walk-in customers, online customers, exploiting the domestic customer market, conference and seminar customers. Proactively plan visual introductions for newly upgraded products.

Develop a profit optimization program, evaluate and review applicable technical and economic standards for appropriate adjustments. Urge units to actively collect debts to ensure operating cash flow. Check and monitor expenses; Optimize profits and minimize indirect costs.

Fully and promptly implement governance reporting, periodic reporting and ad hoc reporting from units. Enhance the role and responsibility of the Company's capital representatives at joint ventures. Review the current status of human resources to have a reasonable arrangement and selection plan.

Improve employee welfare based on improving labor productivity and business efficiency. Build a friendly working environment to promote employee capacity and commitment.

Ensure security and safety, disease prevention, fire prevention and fighting, flood and storm prevention, occupational safety and hygiene, food hygiene.

The above is the report of the General Director of the Company on business results in 2024 and business plan in 2025. Kindly submit to the General Meeting of Shareholders of the Company.

GENERAL DIRECTOR

Johnny Cheung Ching Fu