

Hue City, April <sup>th</sup>, 2025

Draft

**REPORT OF THE BOARD OF MANAGEMENT  
AT ANNUAL GENERAL MEETING OF SHAREHOLDERS 2025  
(FISCAL YEAR 2024)****A. Performance report in 2024:****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 25<sup>th</sup>, 2024 voted and approved on 07 contents. The results of some resolutions are as follows:

**1. Regarding business results in 2024:****a. According to the resolution approved by the GSM:****(1) Profit after tax 2024 (loss): (3.41) billion 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 2024:**

According to the business results report, the target of profit after tax in 2024 made a profit of VND 64.632 billion, increased profit compared to plan by VND 61.22 billion (the plan for 2024, the loss was VND 3.41 billion).

The reasons for affecting the company's profit after-tax target in 2024 are explained in detail in the report of the Board of Directors.

**2. Plan of dividend for 2024:**

According to the results of implementing business targets in 2024, the profit target in 2024 is VND 64.632 billion. However, the need for capital to invest in repairing and upgrading facilities, setting up provisions and to offset accumulated losses from previous years, 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 2024”.**

**3. The NAMA project:**

After waiting for the competent authority to approve the detailed zoning plan of the Hue Citadel area to implement investment procedures. 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 the Hue Citadel area and Decision No. 2871/QD-UBND dated November 7, 2024 approving the adjustment of the Land Use Plan to

2030 and the Department of Planning and Investment (now the Department of Finance) has issued a document guiding the project implementation procedures.

In 2024, the Company restructured the Company's apparatus, changed the Legal Representative. Changed business registration information. The Company is preparing conditions to carry out investment procedures such as: Report on project implementation status; Letter on requesting adjustment of investment project.

#### **4. Joint venture agreement at Saigon Morin Hue Company Limited**

Implementing the Resolution of the General Meeting of Shareholders on assigning the Board of Management of the Company to carry out tasks related to the operations of Saigon Morin Hue Company Limited. After the discussion and negotiation process between the two parties, on December 18, 2024, Huong Giang Tourist Joint Stock Company and Saigon Tourist Group agreed to sign a contract to extend the joint venture at Saigon Morin Hue Company Limited until August 04, 2044.

This is a negotiation process to choose the most suitable option for both partners, ensuring optimization of the joint venture's operations at Saigon Morin Hue Company Limited, in accordance with the city's general service development plan. Therefore, the negotiation requires careful research and a long time to reach consensus.

Currently, Saigon Morin Hue Company Limited is completing the Operating Charter and upgrading and renovating some items at the hotel to improve business efficiency.

#### **5. Transfer of capital of Huong Giang Tourist Joint Stock Company at Lang Co Tourist Company Limited:**

Implementing the resolution of the general meeting of shareholders on the policy of transferring or selling the company's capital contribution in joint ventures and affiliated units with ineffective business results, the Management Board of the Company found that the business efficiency of Lang Co Tourist Company Limited was not high. In order to focus investment capital on potential projects, the Management Board of the Company agreed to transfer all the capital that Huong Giang Tourist Joint Stock Company is holding and owning in the charter capital of Lang Co Tourist Company Limited. The transfer value is 84 billion VND (including taxes, debts, financial obligations, and remaining material responsibilities), equivalent to 40% (04 billion VND) of the total charter capital of Lang Co Tourist Company Limited.

**6. In terms of projects:** Garden Restaurant Upgrade Project – 11 Le Loi; Upgrade Project at Le Cercle Sportif Restaurant 11 Le Loi.

These projects have completed investment and are in the process of organizing production and business activities. Because the new products are being restructured and completed, these units need time to promote their image and introduce their products to achieve high business efficiency.

## **II. Executive management:**

## **1. Organization and personnel:**

In 2024, the Board of Management held 05 meetings, including 01 direct meeting session, 04 indirect meeting sessions (obtaining written opinions).

Some resolutions that the Board of Management issued in 2024 include:

- Resolution No. 02/24/NQ-HĐQT dated February 22, 2024 on approval the Plan to organize the Annual General Meeting of Shareholders in 2024, fiscal year 2023.

- Resolution No. 04/24/NQ-HĐQT dated March 27, 2024 on approval the content of materials serving the 2024 General Meeting of Shareholders of Huong Giang Tourist Joint Stock Company.

- Decision No. 10/QD-HĐQT dated August 1, 2024 on approval the sale/transfer of all capital that the HGT is holding and owning in the Charter capital of Lang Co Tourist Company Limited;

- Resolution No. 17/24/NQ-HĐQT dated December 1, 2024 on unanimously receiving the resignation of Mr. Yoshida Tetsuya as a member of the Board of Management;

- Resolution No. 18/24/NQ-HĐQT dated December 10, 2024 on approval estimated business results in 2024, business plan in 2025 and investment, repairing and upgrading plan at HGH.

- Resolution No. 19/24/NQ-HĐQT dated December 10, 2024 on approval the signing of the extension of the joint venture contract with SGT at Saigon Morin Hue Company Limited.

- Resolution No. 20/24/NQ-HĐQT dated December 10, 2024 on approval sales and purchase contracts and transactions in 2025 between HGT and related companies.

- Decision No. 21/24/QD-HĐQT dated December 10, 2024 on appointing personnel to participate in the Members' Council and representing the management of the capital portion of Huong Giang Tourist Joint Stock Company at Saigon Morin Hue Company Limited.

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

Although the business result in 2024 made a profit of VND 64.632 billion, it is not enough to offset the accumulated losses of previous years, 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 2024 is: VND 1,440,000,000/year.

**3.** Regarding the selection of an auditing company to audit financial statements in 2024, 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 2024 of Huong Giang Tourist JSC.

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

The Board of Management has successfully implemented the Resolutions approved by the 2024 General Meeting of Shareholders. For new issues arising during the Company's operations, the Board of Management always organizes discussions and votes with a high consensus rate.

The Board of Management has held quarterly meetings to review the implementation of the Company's production and business plans, promptly adjust the Company's business policies and strategies to suit the actual situation, analyze and measure risks and promptly resolve arising issues and problems.

Board of Management meetings and voting contents in the form of written opinions are organized in accordance with the provisions of the Law and within the authority of the Board of Management. Board of Management meetings are reported, discussed and fully evaluated in the spirit of openness, fairness, transparency and carefulness to provide the best directions and solutions for the Company.

The Company's Board of Management is willing to receive the opinions of BOM members who do not participate in management in terms of the Company's activities as well as the Company's development plans and strategies.

BOM members properly perform their roles and responsibilities, fully attend meetings and vote to contribute to the construction and development of the Company's operations and development orientation.

The Board of Management has strictly complied with the regulations on information disclosure regarding periodic financial reporting, corporate governance reports, and periodic annual reports.

#### **B. Operation orientation of the Board of Management in 2025:**

Fully exercise the rights and obligations of the Management Board as stipulated in the Charter and the Enterprise Law. Maintain the Company's operations to achieve its objectives and comply with the provisions of law, requirements of management agencies and internal management regulations of the Company.

Monitor and supervise the Board of Directors in managing daily business activities, deciding to organize and implement investment projects according to the decisions and resolutions of the Management Board and the Resolution of the General Meeting of Shareholders.

Exercise the rights and obligations of shareholders, capital contributors, and joint venture members through the management of the Representative of HGT's investment capital at other enterprises.

Maintain full, accurate and timely information disclosure activities in accordance with the law. Proactively disclose other information related to the Company's operations.

#### **I. Projects of the Company:**

##### **1. Repair and upgrade Huong Giang hotel:**

Implementing the plan to upgrade Huong Giang Hotel. Total estimated investment is 38 billion VND (Thirty-eight billion VND).

Implementation time: expected early May 2025 and according to hotel's guest plan.

Investment capital: using capital obtained from the transfer of HGT's capital contribution at Lang Co Tourist Co., Ltd.

## **2. NAMA Project:**

Actively work with City authorizations to carry out project investment preparation steps according to regulations when the City People's Committee decides to allocate land and issue construction permits.

## **3. Saigon Morin Hue Co., Ltd:**

Complete the Charter of organization and operation of Saigon Morin Hue Company Limited. Prepare investment plan for repair and upgrade of services to meet customer requirements.

## **II. Implement business targets in 2025:**

The Board of Management believes that business activities in 2025 will continue to face difficulties due to the economic recession, price slippage, inflation and especially the investment time to upgrade Huong Giang Hotel is expected to be 5 months, along with the time Hue City Government invests in building a walking path connecting Huong Giang Hotel with the bank of Huong River. Based on the proposal of the General Director and functional departments, the business plan targets for 2025 are developed as follows:

***(1) Expected profit after tax of the Company in 2025 (loss): (4,669) 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;***

## **III. Executive management**

1. Direct, manage, and supervise the Company's activities to continue stability and sustainable development, striving to complete the planned targets for 2025.

2. 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.

3. Improve financial management capacity; flexibly adjust business strategy; strictly control the Company's operating costs; develop new markets; Seek future investment cooperation opportunities to enhance the Company's position and develop its brand.

4. Review, amend and supplement internal management regulations and rules in accordance with current legal regulations and the Company's Charter;

Continuously improve the management system in an advanced direction; Enhance legal risk management and internal control.

**Dear valued Shareholders!**

Above is the report of Management Board on activities in 2024 and orientation for activities in 2025. Respectfully submitted to the General Meeting of Shareholders./.

**For. BOARD OF MANAGEMENT  
CHAIRMAN**

**Toshihiko Takahashi**