

*Chau Duc, April 10<sup>th</sup>, 2025*

## PROPOSAL

### **Regarding the approval of the policy to discontinue the use of the Greg Norman Brand and Shark Logo for the Chau Duc Golf Course**

To: The General Meeting of Shareholders.

Based on the current situation of the Chau Duc golf course Project implementation.

The Board of Directors of Sonadezi Chau Duc Shareholding Company (SZC) respectfully reports to the General Meeting of Shareholders as follows:

#### **1. Overview of the Chau Duc Golf course Project implementation:**

- Project implementation name: Chau Duc Golf Course
- Location: Suoi Nghe Commune, Chau Duc District, Ba Ria-Vung Tau Province
- Investment objective: The Chau Duc golf course Project implementation is invested and constructed in accordance with the policy of economic development and the policy of encouraging tourism development of Ba Ria - Vung Tau province. The completed Project implementation will transform a desolate agricultural land into a service - tourism spot, contributing to increasing utility services to attract domestic and foreign investors to promote investment in the Chau Duc Industrial Park and urban area.

- Scale: Chau Duc Golf Course has 36 holes, with a total area of 152ha, including two 18-hole courses (Resort Golf Course and Tournament Golf Course). Items in Chau Duc Golf Course include:

- + Resort 18-hole golf course, area of 77.56 ha, including: Golf courses, Drainage system, Irrigation system, Electric car road, Grass planting.

- + Tournament 18-hole golf course, area of 74.44 ha, including: Golf courses, Drainage system, Irrigation system, Electric car road, Grass planting.

- + Auxiliary items of the Golf Course include: Clubhouse, Golf practice area, Rest stop, Maintenance and maintenance workshop, Staff house, Chemical and pesticide storage, Pumping station, Electrical station, Golf course landscape + Internal roads, parking lot + Gate, fence.

- Design consultant: Greg Norman Design Consulting Company (Greg Norman).

- Type and level of construction: Civil construction, Level I.

- Total investment (excluding loan interest during construction) is approximately **VND 1,264 billion.**

#### **2. Investment activities of Chau Duc golf course:**

With the goal of increasing investment attraction for Chau Duc Industrial Park urban real estate, starting construction from 2018, up to now, the 18-hole Resort golf course, Clubhouse and auxiliary items have been completed and officially put into operation since March, 2022.

**Total realized investment cost (until March, 2025): VND 747,628 million.**

### 3. Chau Duc Golf Course Brand:

- The 36-hole Chau Duc Golf Course was designed by Greg Norman through a golf course design Contracts signed between SZC and Greg Norman in October, 2010. Up to now, the construction of the 18-hole Resort golf course has been completed and accepted by Greg Norman for use.

- In order to promote the image and Brand identity of Chau Duc Golf Course to the local and national golfer community, SZC has exchanged and coordinated with Greg Norman to complete the design drawings related to the use of the Greg Norman Brand and Shark logo. On that basis, SZC has also implemented the installation of the Greg Norman Brand identity and Shark logo for some locations of the Clubhouse and the Resort golf course.

- The use of Greg Norman Identity and Shark logo in the production and business activities of Chau Duc golf course has some advantages and difficulties as follows:

#### *a. Advantages:*

Greg Norman is one of the most famous names in the world of golf, as a legendary athlete and a talented golf course designer. The Greg Norman Brand brings significant value to golf courses, such as:

##### ❖ Prestige and class:

- Greg Norman is an icon of golf; a golf course carrying Greg Norman's Brand signifies class and quality affirmation.

- Attract professional golfers and high-end customers seeking top-tier golf experiences.

❖ Unique and challenging design: The golf courses designed by Greg Norman often feature natural terrains, maximizing the beauty of the surrounding landscape.

❖ International reputation: The Greg Norman Brand has a global reach, helping golf courses become widely known and attracting golf tourists from all over the world.

#### *b. Difficulties and obstacles:*

Besides the advantages of using the Greg Norman Brand, there are also some challenges and difficulties, such as:

##### ❖ In using the Greg Norman Brand:

- Cost: Collaborating with a well-known Brand like Greg Norman requires a significant investment Cost, from design and construction to maintenance and promotion.

- Exclusivity: The Contracts terms may bind the golf course in using the Brand and adhering to strict standards, limiting flexibility in management and development.



❖ In implementing the Contracts:

- According to the Golf Course Design Contracts, in case of any substitution or change in design, the Greg Norman Company's written approval must be obtained before implementation. In the event that Greg Norman's consent has not been obtained but the substitution or change is still implemented, the right to use Greg Norman's identity will be lost. This makes it difficult to adjust the golf course design during operation to suit the requirements at each time.

- Besides that, according to the Contracts, before issuing or distributing documents or products using the Greg Norman Identity or Shark Logo, the Greg Norman Company's approval must be obtained. This causes difficulties and prolongs the time in implementing communication publications and gift products to promote the golf course.

- In addition, the Cost for maintaining and preserving the golf course grass in the Green, Fairway, and Teebox areas is relatively high to meet the requirements according to Greg Norman's standards, affecting the golf course's business production efficiency.

- Currently, the Golf Course Design Contracts has expired (December 31<sup>st</sup>, 2024); however, Greg Norman has not yet agreed to extend the implementation time of the golf course design Contracts, and has requested a Contracts extension Cost of USD 15,000 per a month (This clause is not specified in the golf course design Contracts that the two Parties have signed).

#### **4. Proposals and recommendations:**

The use of the Greg Norman Brand and Shark logo in the past has brought certain effects; domestic and foreign golfers have also known Sonadezi Chau Duc's 18-hole Golf Resort as a high-class golf course that meets the criteria and standards to meet players' actual experience needs.

The implementation of the Resort golf course design with Greg Norman has also helped the Company gain more experience in design, understand the principles as well as the steps to implement related procedures, thereby being able to apply them flexibly to the next phase of the project – Phase 2 – 18-hole Tournament Golf Course.

However, in addition to the achievements, there are still many difficulties and obstacles that affect design adjustment, phase 1 operation, and phase 2 implementation progress. Furthermore, Greg Norman is also not willing to negotiate a Contracts extension unless it comes with a commercial term (SZC must pay an unreasonable additional Cost).

To facilitate SZC's proactive adjustment of design and reduction of foreign expert hiring costs during the implementation of Phase 2 - the 18-hole Tournament course, as

well as to facilitate the Golf course operation, The Board of Directors requests the approval of the General Meeting of Shareholders on the following matters:

1. Approve the policy of discontinuing the use of the Greg Norman brand identity and Shark Logo for the Chau Duc Golf course.
2. Assign the Company's Board of Directors to implement the related procedures in accordance with regulations.

Best Regards.

**Recipients:**

- As above;
- Archive: Secretariat, BOD.

ON BEHALF OF THE BOARD OF DIRECTORS

CHAIRMAN



Đinh Ngọc Thuan

