PHUONG DONG VIET SHIPPING AND LOGISTICS CORPORATION	SOCIALIST REPUBLIC OF VIETNAM Independence - Freedom - Happiness

Ho Chi Minh City, June 26th 2025

DRAFT

REPORT
of the Director on the 2024 business performance and the 2025 business plan

To: The General Meeting of Shareholder
Phuong Dong Viet Shipping and Logistics Corporation

The CEO of Phuong Dong Viet Shipping and Logistics Corporation respectfully submits to the General Meeting of Shareholders (GMS) the report of the CEO on the 2024 business performance and the 2025 business plan as follows:

I. BUSINESS PERFORMANCE RESULTS IN 2024

1. Market developments:

1.1 Challenges:

- In the past period, the market has been significantly affected by various factors such as the prolonged geopolitical tensions between Russia and Ukraine, the continuation of a series of sanctions on Russian goods, rising inflation, and the global economic downtrend. These elements have considerably reduced demand for consumption and bulk cargo transportation in 2024.
- Typically, in the bulk cargo market, demand tends to rise toward the end of the year due to import and export activities supporting production before the holiday season. However, 2024 witnessed an unusual decline in the bulk cargo market as vessel supply outstripped cargo demand in both the Pacific and Atlantic regions.
- The chemical tanker market has decreased compared to the 2021–2022 period but remains stability at a level higher than the average of the past 10 years. Notably, after the EU and the US imposed sanctions on Russian petroleum products, the volume of oil and chemical cargoes transported (measured in ton-miles) increased compared to the pre-sanction period. This led to a rise in demand for this type of vessel in the market. However, since August 2024, freight rates for oil and chemical tankers have declined across most segments.

1.2 Advantages:

- The Company has continued to receive strong support and interest from shareholders, including major shareholders such as PVTrans Corporation, Tan Long Co., Ltd., and other member companies of PVTrans.
- The Company's reputation and brand have been gradually strengthened and recognized by international partners. Participation in the Womar Pool and approval from major energy corporations such as Trafigura, Vitol, Petronas, Chevron, and Qatar Petroleum for long-term vessel chartering have helped diversify cargo sources for the Company's chemical tanker fleet.
- The Company made timely investments when vessel prices were low, successfully utilizing available capital to acquire the vessel PVT Topaz in September 2024 and

using the capital from the sale of PVT Synergy to invest in PVT Coral in November 2024. These new vessels were put into operation within 2024.

- The domestic and global financial markets remained relatively stable, and the USD/VND exchange rate did not fluctuate significantly compared to the beginning of the year. Foreign exchange costs remained within PVT Logistics' planned control.

2. 2024 Business Performance:

2.1 Oil/Chemical Transport and Logistics Services:

- Domestic transport: The domestic transport market remained relatively unchanged. Most domestic shipping demand relies on PV Oil and Petrolimex. However, due to small shipment volumes and unattractive freight rates, PVT Logistics did not participate in domestic shipping routes in 2024.
- International transport: To reduce market risk, ensure stable revenue, and improve fleet efficiency, the company's management set the goal early in the planning process to focus on deploying vessels internationally via the Womar Pool or long-term chartering.
- Logistics transport services: The company developed air cargo services, contributing additional revenue and profit in 2024.
- Total revenue from vessel operations and air cargo reached VND 1,103.3 billion, equivalent to 142% of the 2023 figure.

2.2 Commercial, Agency, and Maritime Services:

- **Polypropylene plastic resin trading**: The Company continued trading PP plastic resins, achieving total commercial revenue of VND 239.3 billion, approximately 88% of 2023 performance.
- **Maritime and agency services**: The Company closely followed customer needs, successfully fulfilled agent assignments for both external ships and its own fleet, helping to reduce fleet operation costs. In 2024, agency fee revenue from external vessels reached VND 0.48 billion, equivalent to 116% of 2023.

2.3 Investment and Financial Management:

- Proactively worked with banks and financial institutions for vessel investment and working capital loans.
- Successfully increased charter capital by VND 230 billion through a share issuance to existing shareholders. Key personnel were encouraged to subscribe to excess shares to increase engagement and long-term commitment, raising total charter capital to over VND 661 billion.
- In 2024, the company invested 2 vessels including:
    - PVT Topaz, a Supramax bulk carrier, handed over and deployed on September 4th, 2024.
    - PVT Coral, a Supramax bulk carrier, handed over on November 4th, 2024.
- Paid a 10% cash dividend based on charter capital.
- Completed foreign investor room opening.

- Submitted documentation to transfer stock listing from UpCOM to HOSE.
- Constructed a detailed cash flow plan, maintained strict control of income and expenditures, and continued resolving outstanding debts to supplement business capital.
- The planned investment in an oil/chemical tanker of 19,000–25,000 DWT (PDV-HC-03/23) and an additional bulk carrier Handysize/Ultramax (25,000–75,000 DWT) was not completed due to market constraints and vessel availability; these projects are postponed to 2025.

Debt Repayment in 2024:

- PVT Synergy & PVT Venus: USD 4,090,102.51 repaid to TPBank (principal: USD 3,664,056.63; interest: USD 426,045.88); remaining debt for PVT Venus: approx. VND 50.32 billion (USD 1.97 million).
- PVT Neptune: USD 880,737.41 repaid to OCB (principal: USD 613,368.00; interest: USD 267,369.41); remaining debt: VND 74.44 billion (USD 2.91 million).
- PVT Jupiter: VND 44.53 billion repaid to VCB (~USD 1.74 million); remaining debt: VND 239.53 billion (USD 9.37 million).
- PVT Topaz (2024): Interest payment of VND 2.22 billion; remaining debt to BIDV Trang Tien: VND 265.7 billion (USD 10.4 million).
- PVT Coral (2024): No payment yet; remaining debt to BIDV Trang Tien: VND 295.64 billion (USD 11.57 million).
- Continued focus on resolving and recovering outstanding receivables.

2.4 Organizational and Operational Management:

- Maintained regular and ad-hoc inspections of crews and vessels to ensure compliance with company regulations and management systems (Safety Management System, Quality Management System, etc.).
- Ensured safety systems were always controlled and upgraded. Technical conditions and safety equipment were maintained in good condition, preserving SIRE/Oil Major Approval under the OCIMF system. No pollution, fires, collisions, or crew injuries were recorded. TMSA rating 2.8.
- Promoted corporate culture practices, and was recognized by the Vietnam Business Culture Association as a "Vietnam Standard Business Culture Enterprise 2024."
- Focused on crew self-training amid the domestic crew quality shortage.

2.5 Contracts and Transactions with Related Shareholders in 2024:

- The Company executed several contracts and transactions with major shareholders that complied with legal regulations and ensured Company interests.
- On October 9, 2024, PVT Logistics and PVTrans (owner of PVT Pearl) signed Appendix No. 01 adjusting the bareboat charter rate for the second year under Contract No. 152/HD2023/PVT-PVTL dated September 27, 2023.

2.6 2024 Business Performance Results:

Unit: VND billion

No.	Indicator	2024 Plan	2024 Actual	Actual/Plan (%)	Difference (Actual - Plan)
1	Total Revenue	1,250.00	1,552.06	124%	+302.06
2	Total Expenses	1,170.00	1,271.66	109%	+101.66
3	Profit Before Tax	80.00	280.40	350%	+200.40
4	Profit After Tax	64.00	224.36	351%	+160.36
5	Contribution to State Budget	17.50	61.37	351%	+43.87

3. Assessment of Achievements and Shortcomings in 2024:

3.1. Shortcomings:

Due to fluctuations in the oil/chemical and bulk carrier ship trading markets, the Company was unable to make the planned investments in 2024 for:

- 01 oil/chemical tanker with a deadweight of approximately 19,000–25,000 DWT (Project PDV-HC-03/23);
- 01 Handysize bulk carrier with a deadweight of approximately 25,000–39,000 DWT (Project PDV-HR-02/22).

3.2. Achievements:

- Successfully implemented a 10% cash dividend based on charter capital.
- Completed a charter capital increase of VND 230 billion through a share issuance to existing shareholders, raising total charter capital to over VND 661 billion.
- Based on the increased capital, available equity, and capital from vessel sales, the Company invested in two vessels.
- On August 29, 2024, completed the sale of PVT Synergy.
- Successfully signed long-term vessel charter contracts with clients, ensuring 2024 efficiency and laying a foundation for 2025 plans.
- Completed docking and repairs for 2 vessels.
- Corporate governance continued to be strengthened, with preparations in place for strong growth in 2025 and beyond.
- Due to significant business efficiency improvements, employee and crew incomes increased, aligning more closely with other domestic oil and chemical shipping companies.
- The reputation and market position of PVT Logistics in the maritime transport industry was further enhanced in 2024:
  - Achieved Top 10 most reputable companies in the logistics and chemical transport sector.
  - Achieved “Vietnam Standard Business Culture Enterprises 2024” by the National Council for Business Culture Standards.
  - Achieved “Top 10 Best Places to Work in Logistics” for the second consecutive year.
  - Achieved Top 500 Leading Employers in Vietnam 2024 (VBE500).

II. BUSINESS PLAN FOR 2025:

1. 2025 Outlook:

- The Company continues to receive strong support from shareholders, including major ones like PVTrans Corporation, Tan Long Co., Ltd., and international clients and partners, creating favorable conditions for maintaining service capacity.
- The domestic and global economic outlook remains challenging, with reduced consumer demand leading to a slowdown in production.
- The global political and economic situation is forecasted to stay complex and volatile. The Russia–Ukraine war continues without a clear resolution, while tensions in the Middle East risk escalating. The U.S. administration under President Donald Trump is likely to implement new tariff policies affecting global trade and particularly impacting the maritime transport sector in 2025.
- The shortage of qualified domestic seafarers persists due to rapid fleet expansion in Vietnam and increasing demand from regional shipowners in China and India, leading to fierce competition and rising crew costs.
- There remains a limited pool of experienced professionals at the office level, particularly in the field of international chemical transport.

2. Main Objectives and Tasks for 2025:

- The core goal of Phuong Dong Viet Logistics is to continue building a stable, sustainable company, maintaining growth, and preserving shareholders' equity.
- Focus on maintaining business and efficient utilization of the oil/chemical/bulk carrier fleet, while proactively managing risks from adverse market changes. Focus on expanding the transportation market, maintaining all ships qualified to operate in markets such as the US, Europe, etc
- Monitor and update market situation to invest vessels in 2025. Explore bareboat charter opportunities to expand the oil/chemical and bulk fleet, restructuring and upgrading transport capacity and competitiveness domestically and internationally.
- Complete the transfer of stock listing from UpCOM to HOSE, target for Q3–Q4/2025.
- Focus on internal training to build a team with the experience and expertise to execute the Company’s long-term growth strategy.
- Continue digital transformation and adopt advanced technologies to improve management and operations, including: Full deployment of SMMS software across the fleet; Reducing paperwork through revised policies and processes.
- Gradually implement ESG into Company governance to ensure sustainable, stable development.
- Complete the 2025 capital increase plan by issuing stock dividends to purchase vessel or bareboat charters.
- Maintain profitability in commercial activities and expand services in shipping agency, logistics, etc. Actively seek investment, M&A, and business cooperation opportunities in port operation (including logistics and warehousing), ensuring capital safety and operational efficiency.

- Enhance professionalism in management, continue improving the TMSA system to meet requirements of clients
- Ensure safe and efficient operation of the Company's oil/chemical transport fleet.
- Operate the PVTrans Maritime Training Center efficiently to enhance the quality and quantity of crew members.
- Maximize cost-saving initiatives, tightly control fuel, technical management costs, and cargo losses in operations.
- Strengthen oversight of receivables, avoid bad debts, and actively resolve outstanding balances.
- Build and standardize a professional working environment aligned with the culture of PVT Logistics.
- Actively participate in corporate social responsibility and community welfare programs.

3. 2025 Business Plan Targets:

Based on analysis and evaluation of 2025 market trends and actual resources, the Company has developed and submits the following business targets to the General Meeting of Shareholders:

Unit: VND billion

No.	Indicator	2025 Plan	Q1	Q2	Q3	Q4
A	**Charter Capital (VND billion)**	812,98	660,96	660,96	793,15	793,15
B	**Financial Indicators**					
I	**Total Revenue (VND billion)**	**1.700,00**	**322,54**	**411,19**	**464,33**	**501,94**
1	From Transportation Services	1.306,03	286,14	291,87	344,66	383,36
2	From Trading Services	373,64	30,92	114,24	114,24	114,24
3	From Maritime Agency & Ship Management Services	5,64	1,41	1,41	1,41	1,41
4	From Crew Training Center	7,84	1,96	1,96	1,96	1,96
5	From Financial Activities	6,85	2,11	1,71	2,06	0,97
II	**Total Expenses (VND billion)**	**1.590,00**	**306,18**	**389,93**	**425,08**	**468,81**
1	Cost of Goods Sold	1.372,28	259,89	343,69	370,76	397,94
1.1	From Transportation Services	993,73	227,75	228,22	255,29	282,47
1.2	From Trading Services	373,47	30,87	114,20	114,20	114,20
1.3	From Maritime Agency & Ship Management Services	5,08	1,27	1,27	1,27	1,27
2	Financial Expenses	126,88	23,58	23,53	31,61	48,16
3	Crew Training Center Expenses	8,040	2,01	2,01	2,01	2,01
4	General & Administrative Expenses	82,800	20,7	20,7	20,7	20,7
III	**Profit Before Tax (VND billion)**	**110,00**	**16,36**	**21,26**	**39,25**	**33,13**
IV	**Profit After Tax (VND billion)**	**88,00**	**13,09**	**17,01**	**31,40**	**26,50**
V	**Payables to State Budget (VND billion)**	**23,50**	**3,65**	**4,63**	**8,22**	**7,00**

4. Action plans to Achieve 2025 Objectives:

4.1. Market and Business Operations:

- Proactively develop flexible fleet operation strategies, combining participation in chemical tanker pools with time-charter and voyage-charter arrangements. Swiftly capture market information to respond promptly to fluctuations. Strengthen marketing efforts and collaboration with brokers, shipowners, and domestic/international partners for joint investments (e.g., bareboat charters) to expand market reach, enhance transport capacity, and reduce per-vessel management costs.
- Expand vessel operation areas; deepen participation in high-freight international chemical transport markets, which demand higher competency from both shore-based staff and seafarers.
- Continue providing logistics services, and explore new segments such as oil terminal operations, port, warehousing, and chemical storage.
- Agency business: Maintain strong relationships and services for existing oil field operators and benefit from current support from PV Oil. Broaden partnerships with new shipowners/oil fields to expand agency services and value-added support such as bunkering and freshwater supply.
- Continue offering technical management services for oil/chemical tankers of 13,000–25,000 DWT.
- Stabilize operations of PVTrans Seafarer Training Center for continuous crew training and supply for the parent company and its affiliates.

4.2. Investment and Finance:

- Implement the capital increase plan to raise charter capital to approx. VND 793 billion in 2025, via stock dividends to invest in or charter vessels while prices remain favorable.
- Based on increased capital and available funds, the company will purchase 01 vessel in Q3–Q4/2025: either a 19,000–25,000 DWT oil/chemical tanker or a 25,000–75,000 DWT bulk carrier (PDV-HC/HR-06/25).
- Proceed with investments postponed from 2024: 01 oil/chemical tanker 19,000–25,000 DWT (PDV-HC-03/23) or 01 Handysize/Ultramax bulk carrier (PDV-HR-02/22).
- Depending on market conditions, consider selling PVT Neptune and/or PVT Venus in 2025 to reinvest in younger and more competitive vessels (PDV-HC/HR-07/25).
- Complete the listing transfer from UpCOM to HOSE.
- Plan for a 5% cash dividend and a 20% stock dividend, depending on investment capital needs and available funds.
- Maintain active engagement with banks and financial institutions to secure investment capital and working capital loans.
- Develop a detailed cash flow plan; strictly control disbursements and prioritize resolving outstanding debts to strengthen working capital.

4.3. Organizational and Management:

- Maintain and continuously improve the safety management system (SMS) to ensure vessel compliance with SIRE/Oil Major Approval (OCIMF) and safety regulations;

prevent incidents like pollution, fire, collisions, and crew injury. Maintain TMSA rating 2.8.

- Expand ship management services to external units where mutually beneficial.
- Adjust the organizational structure to fit the company's development trajectory.
- Train and recruit high-quality crew members to meet future fleet expansion needs, especially for chemical tankers.
- Cultivate a working culture based on the four guiding principles: "Solidarity – Discipline – Innovation – Efficiency."
- Strengthen corporate governance and organizational systems, with a focus on human resources development. Promote in-house training where seniors train juniors, and experts guide newcomers, building a strong succession pipeline. Continue operating the Maritime Human Resource Training Center effectively.
- Promote internal communication to foster a culture of cost-saving, efficiency, technical innovation, and individual accountability—critical for the company's sustainable operation.
- Accelerate digital transformation, applying Industry 4.0 technologies in business operations to increase productivity, transparency, and operational efficiency.

This concludes the report on the 2024 business performance and the 2025 business plan of the Company.

Respectfully submit to the General Meeting of Shareholders for consideration and approval.

Director

Ho Si Thuan