VIETNAM OIL AND GAS GROUP
PETROVIETNAM TRANSPORTATION CORPORATION

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

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DRAFT

REPORT ON BUSINESS PERFORMANCE RESULTS IN 2024 AND BUSINESS PLAN FOR 2025 OF PETROVIETNAM TRANSPORTATION CORPORATION (PVTrans)

To : General Meeting of Shareholders
PetroVietnam Transportation Corporation

The General Director respectfully presents to the General Meeting of Shareholders the results of business activities in 2024 and the business plan for 2025 of PetroVietnam Transportation Corporation (PVTrans) as follows:

I. Implementation status of the 2024 plan

1. Economic, Political, and Transportation Market Situation in 2024

In 2024, global economic growth is projected at approximately 3.2%, higher than the 3.1% growth rate of 2023. However, the primary growth driver is expected to be Asian economies, while major economies, particularly China, are showing signs of slowing down. To stimulate the economy, many countries have adopted looser fiscal policies to boost growth, but interest rates generally remain high, and inflation continues to be a lurking concern, potentially erupting at any time due to geopolitical conflicts. Furthermore, the global energy transition is progressing rapidly, promoting the use of alternative clean fuels. This will significantly impact oil demand as heavy industries and transportation gradually shift to environmentally friendly energy sources.

The average Brent oil price in 2024 reached USD 81/barrel, fluctuating between USD 70-90/barrel throughout the year. OPEC+ continued production cuts, elevating oil prices to a peak of USD 93/barrel in April 2024. However, increased production from the U.S., Guyana, and Canada partially offset these cuts. Additionally, China's ongoing energy transition policy negatively impacted crude oil import demand. Thus, Brent oil prices declined in the second half, averaging USD 75 per barrel in Q4 2024.

The maritime transport market in 2024 saw significant fluctuations, trending sharply downward by year-end. Following substantial post-Covid growth (2022-2023), most transport segments underwent correction cycles with decreasing freight rates. This trend is expected to continue in the coming period due to weakening transport demand, increased vessel supply, and pressure from the global energy transition.

In the domestic market, Vietnam's economy continues growing, driven primarily by exports and investmentdespite ongoing challenges, thereby increasing domestic fuel consumption year-over-year. Nghi Sơn Refinery and Petrochemical LLC operated safely and stably, fully meeting market demands. Meanwhile, Dung Quat Refinery underwent its 5th scheduled maintenance from March to May 2024. During this period, the plant operated at an average capacity of 99-100% of design capacity. Immediately after completing maintenance, Dung Quat Refinery increased its operating capacity to 108-110% to ensure market supply. PVTrans promptly fulfilled oil transportation demands for Binh Son Refining and Petrochemical Company Limited (BSR), maintaining safety without incidents or disputes.

2. Business performance in 2024

2.1. Regarding the 2024 business and production results

Benefiting from strategic oversight and directive leadership provided by PVN, as well as concerted and dedicated efforts from the management team, employees, and crew members, PVTrans proactively and flexibly implemented numerous solutions to seize market opportunities while overcoming difficulties, ensuring stable, safe, efficient production and significantly exceeding the business targets for 2024, specifically:

a. Implement the Corporation's consolidation plan in 2024

Unit: Billion VND

No	Items	2024		***Comparison Plan/Fulfillment (%)***
		Plan	**Implementation**	
1	Revenue	8,800.0	12,302.5	*140%*
2	Profit before tax	950.0	1,868.4	*197%*
3	Profit after tax	760.0	1,469.6	*193%*
4	Contribution to State Budget	354.0	645.1	*182%*

PVTrans has exceeded the main assigned plan targets , specifically:

- Revenue reached 12,302.5 billion VND, equivalent to 140% of the annual plan;
- Profit before tax reached 1,868.4 billion VND, equivalent to 197% of the annual plan; Profit after tax reached 1,469.6 billion VND, equivalent to 193% of the annual plan;
- Contribution to State Budget reached 645.1 billion VND, equivalent to 182% of the annual plan;

b. Implement the Parent Company's plan in 2024

Unit: Billion VND

No	Items	2024		***Comparison Plan/Fulfillment (%)***
		Plan	**Implementation**	
1	Revenue	2,800.0	3,666.2	*131%*
2	Profit before tax	560.0	760.2	*136%*
3	Profit after tax	458.0	626.2	*137%*
4	Contribution to State Budget	211.0	269.7	*128%*

Parent company has exceeded the main assigned plan targets, specifically:

- Revenue reached 3,666.2 billion VND, equivalent to 131% of the annual plan;
- Profit before tax reached 760.2 billion VND, equivalent to 136% of the annual plan; Profit after tax reached 626.2 billion VND, achieving to 137% of the annual plan;
- Contribution to State Budget reached 269.7 billion VND, equivalent to 128% of the annual plan.

2.2 Detailed Analysis by Business Segments

a. Crude oil transportation:

PVTrans transported 5.1 million tons of crude oil for Dung Quat Refinery using two specialized Aframax vessels combined with chartered vessels for domestic routes, while one Aframax vessel operated internationally to optimize operational efficiency.

b. Oil product transportation:

In 2024, PVTrans transported 1.9 million tons of domestic petroleum products from Dung Quat Refinery, Nghi Son Refinery and Petrochemical for PVOil. Internationally, PVTrans operated six vessels, including new investments, joining major international transport pools such as Maersk and Hafnia, primarily serving demanding markets in Europe and America, thus enhancing the company's international market position.

c. Chemical oil transportation:

This segment proved highly effective, with PVTrans operating 18 vessels, accounting for 31% of the fleet, in the range of 13,000-20,000 DWT. Many vessels operated in major international pools such as Womar, benefiting from rising freight rates and expanding successfully into European-American markets.

d. LPG transportation:

Also accounting for 31% of the total fleet, PVTrans operated 18 LPG vessels, including two highly efficient VLGCs. The remaining vessels provided flexible transport solutions domestically and internationally. PVTrans safely transported 1.3 million tons of LPG for PVGas, BSR, and Ca Mau GPP, while further expanding its international chartering and leasing operations.

e. Bulk Cargo transportation:

PVTrans currently owns 12 bulk carriers, accounting for 31% of the total tonnage of the PVTrans's fleet, including Supramax, Handysize and Barges, suitable for both international and domestic routes. PVTrans continues to operate this fleet on international routes through time charter, not only helping to diversify revenue sources, but also minimizing dependence on the traditional oil and gas transportation market, while taking advantage of market opportunities to improve long-term business efficiency .

f. Oil and Gas Technical Services (FSO/FPSO):

PVTrans effectively managed the stable and safe operation of FSO PVN Dai Hung Queen at Dai Hung Field, maintaining 100% uptime without incidents, contributing to safe and continuous field production. The company also effectively coordinated with clients to ensure stable operation of the Sao Vang - Dai Nguyet project, meeting all client requirements.

2.3 Investment Results in 2024:

Regarding vessel investment: In 2024, PVTrans invested in a total of 8 vessels including 2 product tankers, 4 bulk carriers, 1 chemical tanker, and 1 LPG tanker, with a total investment of USD 153 million. Additionally, PVTrans successfully completed the divestment of one chemical tanker.

Regarding financial investment: PVTrans disbursed VND 231 billion to contribute additional capital to its subsidiaries, including Indochina Petroleum Transportation JSC (PVTrans PTT), Thang Long Maritime (TLM), and Phuong Dong Viet Shipping And Logistics Corporation (PVT Logistics), achieving 88.2% of the financial investment plan for 2024.

2.4 Cost Saving and Waste Reduction Results

PVTrans sustained administrative cost reductions through strategic optimization of organizational structure, management models, and workforce realignment, thus enhancing productivity and deferring non-essential services. In 2024, cost savings amounted to VND 28 billion, equivalent to 116% of the annual savings plan, including VND 12.6 billion from direct costs and VND 9.8 billion from indirect costs..

2.5 Labor, training and HSE activities

In 2024, PVTrans had an average workforce of approximately 2,735 employees (87% of the annual plan), with an average income of VND 30.3 million/person/month (100% of the annual plan). Labor productivity reached VND 375 million/person/month, equivalent to 161% of the plan. The Corporation has organized training for 5,741 people, reaching 198% of the annual plan .

Health - safety - environment, and fire prevention measures were continuously monitored, communicated, and enforced. No serious incidents regarding safety or environmental pollution occurred in 2024.

2.6 Application of science and technology

PVTrans accelerated digital transformation efforts to enhance efficiency in management, governance, and corporate operations, fostering innovation and improving competitiveness. PVTrans is systematically implementing electronic office solutions, establishing digital libraries, integrating internal management reporting software, applying ship management/crew management/safety management software, and upgrading the infrastructure and security systems across the corporation.

2.7 Corporate Social Responsibility (CSR) and Union Activities.

PVTrans implemented social support programs totaling VND 25.2 billion, aiding disadvantaged localities such as Hai Duong, Thai Binh, Thanh Hoa, and Can Tho by building schools, healthcare stations, and solidarity houses, as well as supporting disaster recovery efforts. Additionally, PVTrans held meaningful events celebrating the 94th anniversary of the Communist Party of Vietnam, Lunar New Year, dialogues between Party Committee Secretary and youth members, sports events commemorating the Corporation’s 22nd anniversary, the 2024 Teambuilding program, and a Mid-Autumn festival event "Moonlight Gathering" for employees.

II. DIRECTIONS AND OPERATIONS PLAN FOR THE YEAR 2025

1. Forecast of market situation and demand characteristics in 2025

Global economic growth in 2025 is forecasted at approximately 3.3%, maintaining stability compared to the previous year but still below the 2000-2019 pre-Covid-19 (about 3.7%). Limited growth in major economies, particularly in China—the world's largest oil importer—and increased oil supply from non-OPEC+ countries are expected to exert downward pressure on oil prices, forecasted to decline approximately 2.6% from the previous year. Consequently, global demand for crude oil and petroleum products may also decline. Furthermore, ongoing geopolitical tensions in the Middle East, conflicts in the Red Sea, and uncertainties in international trade policy will continue adversely impacting the maritime transportation market. Additionally, the global energy transition towards renewable energy sources is reducing fossil fuel demand, and increasingly strict ESG standards, notably IMO regulations on emissions and green fuel usage, place further challenges on maritime transport enterprises.

Vietnam's GDP in 2025 is forecast to grow at around 6.5-7.5%, but there are still many potential challenges due to the global growth slowdown, geopolitical risks and U.S trade protectionism. Inflation is expected to remain below 4.5%, allowing potential monetary policy easing by Vietnam's State Bank, however, exchange rate pressure and risks from the Fed's policy may cause the SBV to delay lowering interest rates, affecting the ability of domestic enterprises to access capital. The private sector continues facing elevated input costs, sluggish order recovery, and a persistently low rate of new business formations compared to pre-Covid-19 levels, thereby presenting substantial obstacles to Vietnam's economic growth.

Regarding the international oil market

In 2025, the global oil market is expected to be under downward pressure on prices as supply continues to expand while demand growth slows. The average Brent crude oil price is forecast to fall from $81/barrel in 2024 to $74/barrel in 2025. The increase in oil production from non-OPEC+ countries, especially the US, Canada, Brazil and Guyana, plays an important role in offsetting the OPEC+ production cuts, causing the market to have an oversupply and creating downward pressure on prices during this period. Concurrently, global oil consumption growth will slow to about 1.3 million barrels/day, below the pre-Covid average (2010-2019).

India and other Asian economies (excluding China and Japan) are expected to be primary drivers of demand. China's oil demand growth is anticipated to decelerate due to economic slowdown and higher usage of alternative energy sources. U.S. consumption remains uncertain, influenced by modest GDP growth and industrial activity.

While OPEC+ continues to cut production to maintain oil prices, competitive pressure from non-OPEC countries could prompt some OPEC+ members to consider increasing production again, risking market instability. At the same time, geopolitical tensions in the Middle East, the conflict in Syria, and new US sanctions on Russia add more uncertainty to global oil supplies. Slower growth in global oil demand could impact tanker utilization rates in the long term, especially as the transition to renewable energy accelerates.

Thus, the post-2025 oil market environment will be shaped by various factors, including rising non-OPEC+ supply, sluggish consumption, geopolitical volatility, and OPEC+ output policies. Maritime transport companies, including PVTrans, must closely track consumption trends and energy transitions to timely identify market opportunities and implement appropriate strategic responses.

Regarding the international shipping market

- Crude Oil transportation Market

In 2025, the crude oil shipping market is projected to remain relatively stable due to slow vessel supply growth and potential easing of OPEC+ production quotas. However, reduced Chinese seaborne crude oil imports, combined with increased production from non-OPEC+ countries, may exert downward pressure on demand. Additionally, U.S. sanctions affecting certain oil-exporting countries restrict approximately 12% of the global crude oil tanker fleet capacity, potentially altering trade flows and increasing risks for shipping enterprises.

- Oil product transportation market

This market is forecasted to face downward pressure due to fleet growth outpacing demand, creating excess shipping capacity. A potential easing of tensions in the Red Sea may reduce demand for long-haul routes, negatively impacting freight rates. U.S. sanctions against Russia have introduced volatility in trade flows, forcing refineries in China and India to seek alternative sources, resulting in variable effects on freight rates.

- Chemical Oil transportation Market

Increased competition is expected in the chemical oil transport sector in 2025, primarily due to the narrowing freight rate gap between product tankers and chemical tankers. Demand for palm oil remains robust, particularly in India, China, and Europe, offsetting negative pressures in the short term. The “swing tonnage” trend, with MR vessels shifting back to chemical cargoes, significantly influences freight rates, keeping the market under supply-demand pressures.

- LPG transportation market

Growth in LPG trade is expected to decelerate due to limited U.S. export capacity and OPEC+ oil production cuts. Although Asia remains the largest importer, U.S.-China trade tensions might negatively affect global LPG trade. Additionally, diminishing disruptions at the Panama Canal and the Red Sea may reduce tonne-mile growth compared to 2024.

- Bulk Cargo market

The bulk cargo market outlook in 2025 appears less favorable due to weaker demand amid continuous fleet expansion. China's bulk import growth may not replicate the robust performance of previous years. Reduced tensions in the Red Sea could also redirect bulk cargo vessels back to shorter traditional routes, reducing tonne-mile demand. Long-term shifts towards renewable energy and emissions regulations are likely to structurally alter bulk market dynamics.

Regarding domestic gasoline consumption

In 2025, Dung Quat Refinery is expected to operate at 105-108% of its designed capacity, with a targeted capacity of 112-116%. If BSR successfully secures the maximum domestic crude oil procurement (approximately 40-42 million barrels), domestic crude oil is projected to constitute around 70-75% of the total, while imports will account for about 25-30%. Consequently, PVTrans will benefit from an increased number of shipments for BSR compared to 2024, due to the refinery underwent maintenance from March to May 2024. Nghi Son Refinery and Petrochemical is anticipated to continue stable operations, fully meeting the domestic petroleum product requirements.

2. Production and business plan for 2025

Based on forecasts of both domestic and international economic situations and the aforementioned maritime transportation market conditions, PVTrans has developed its production and business plan for 2025 as follows:

Unit: Billion VND

No.	Items	Consolidate	Parent company
1	Total revenue	10,300.0	3,000.0
2	Profit before tax	1,200.0	600.0
3	Profit after tax	960.0	482.0
4	Contribution to State Budget	380.0	215.0

3. Key tasks

a. General Tasks

Implement various management approaches including volatility management, value chain management, ecosystem management, and digital platform-based management. Adhere to the motto “renewing old motivations, adding new motivations,” ready to shift business models in line with modern transformation and development trends.

Effectively execute the annual plans of PVTrans, emphasizing cost control, particularly in major cost centers, to mitigate market-induced losses.

b. Production and Business Activities

Maintain domestic transportation market share, ensuring safe and timely transport of crude oil inputs and outputs for Dung Quat Refinery, Nghi Son Refinery and Petrochemical, and other PVN’s subsidiaries according to signed contracts.

Monitor maritime transport market fluctuations closely to expand scale and enhance the Corporation’s transportation brand internationally.

Safely and efficiently manage and operate the FSO PVN Dai Hung Queen at Dai Hung Field and the CPP platform for Idemitsu at Sao Vang - Dai Nguyet Field, preventing any production interruptions.

Expand service chains to optimize resources and enhance investment efficiency. Ensure the stability of other business activities by effectively managing capital utilization, strictly controlling overdue debts.

Proactively research and update market trends to develop suitable production, business, and investment solutions for the parent company and subsidiaries, meeting market demand in line with global energy transition trends.

Stay updated on the integrated chains to identify opportunities for providing services that PVTrans holds competitive advantages.

c. Corporate Restructuring and Innovation

Continue corporate restructuring and innovation according to the restructuring plan for PVTrans through 2025.

Complete management frameworks and process systems, developing a corporate governance model tailored to the operational field.

d. Investment tasks

Synchronize solutions to control project progress, ensuring completion of approved investment plans and capital disbursements.

Conduct capital investments into subsidiaries upon completion of all regulatory procedures, ensuring accountability for operational efficiency as well as the preservation and development of invested capital.

e. Finance tasks

Efficiently utilize corporate assets throughout the entire Corporation.

Preserve and enhance shareholder capital, maintaining and improving financial safety indicators.

Maintain active collaboration with relevant authorities to finalize the plans for charter capital increase.

f. Other tasks

Implement corporate social responsibility, communication, and corporate culture activities according to directives and regulations, ensuring alignment and effectiveness with business operations.

Continue prioritizing digital transformation initiatives, formulating comprehensive strategies with clear digital visions, detailed implementation roadmaps, and integrating data and digital information.

Develop and implement Occupational Safety and Health Plans in accordance with the current Law on Occupational Safety and Health.

I would like to wish you all good health, success, and happiness./.

ON BEHALF OF THE BOM
GENERAL DIRECTOR

Nguyen Duyen Hieu