



*Ho Chi Minh City, April 25, 2025*

**DRAFT**

## **REPORT OF THE BOARD OF DIRECTORS ON 2024 OPERATION AND 2025 ORIENTATION**

To: Shareholders and Delegate!

On behalf of the Board of Directors (“**BOD**”), I am honored to present the report on the performance in 2024 and the orientations and plans for 2025 of the BOD of Vietnam Tanker JSC (“**Vitaco**”) as follows:

### **I. OPERATION REPORT OF 2024**

#### **1. Overview:**

In 2024, the global economy gradually recovered but continued to face numerous risks, including geopolitical conflicts and fluctuations in the prices of essential goods and services such as petroleum, raw materials, transportation costs, and global gold prices. Domestically, the economy showed many positive signals; however, it still encountered significant challenges, including rising inflation and natural disasters such as typhoons (Typhoon Yagi in September 2024), droughts, and landslides, which caused severe damage to both lives and property.

The Vietnamese petroleum market recorded positive developments in ensuring supply, despite facing numerous challenges from weather fluctuations and increased demand from production, business activities, and consumption.

The supply from Vietnam National Petroleum Group remained stable and equivalent to the previous year. The Company’s fleet operated efficiently, consistently meeting the Group’s transportation capacity requirements. Additionally, the vessels continued to engage in external transportation within the region when the Group’s demand declined at certain times, optimizing the utilization of idle vessel days.

A key challenge for the Company is the relatively high average age of its fleet, with some vessels exceeding the permissible age limits at certain depots and ports. This has impacted safety inspections, limited available cargo sources, and reduced competitiveness in the market, while also increasing maintenance and repair costs. However, Vitaco has implemented various measures to maintain technical and safety standards, ensuring compliance and successfully passing vessel acceptance inspections, thereby optimizing operational efficiency.

Regulations and standards set by port authorities, maritime classification societies, and oil majors are becoming increasingly stringent, imposing strict requirements such as the installation of ballast water treatment systems, emission reduction standards, and compliance with SIRE 2.0. These factors have significantly impacted technical and safety management, leading to higher fleet management costs.

Throughout the year, the Company has made great efforts by implementing decisive solutions, optimizing fleet operations, strengthening corporate governance, and

minimizing costs. These measures have enabled the Company to exceed the targets assigned by the General Meeting of Shareholders.

## **2. Company Performance in 2024:**

### **2.1. Business performance in 2024:**

Based on the business plan approved by the Annual General Meeting of Shareholders (AGM) in 2024, as outlined in Resolution No. 196/NQ-ĐHĐCĐ dated April 16, 2024, the Board of Directors has delegated the plan to the subsidiaries and directed the implementation process. The consolidated business results for 2024 are as follows:

*Unit: million VND*

<b>No.</b>	<b>Targets</b>	<b>2024 Plan</b>	<b>2024 results</b>	<b>Results/Plan</b>
1	Total revenue and other income	999,084	1,156,008	115.71%
2	Expenses	889,050	1,013,627	114.01%
3	Profit before tax	110,034	142,381	129.40%
4	Profit after tax	84,925	110,836	130.51%
5	Contribution to the State Budget	78,027	81,288	104.18%
6	Profit after tax/Equity (ROE)	10.64%	13.88%	130.45%
7	Dividend (%)	Expected 9%	Expected 9%	100%

In 2024, the Company continued to focus on exploiting the primary cargo sources from the Vietnam Petroleum Group, benefiting from significant attention and support from the Group and the Petrolimex Tanker Corporation. As a result, the cargo supply remained stable, ensuring the operational productivity of the fleet. The vessels were utilized on well-planned routes, maximizing the use of optimal sailing days to achieve economic efficiency.

The main business operations at the parent company continued to focus on exploiting the deep-sea fleet, offering two forms of leasing: time charter and voyage charter.

The time-chartered vessels completed 102 shipments, all of which were conducted safely. In 2024, the fleet was leased on a time-charter basis, which helped maintain relatively stable freight rates compared to market fluctuations. Throughout the year, a single adjustment to the time-charter rate was made, with an increase of 4.8%. As a result, revenue from the time-chartered fleet reached VND 409.92 billion, achieving 105.40% of the target.

The voyage charter operations, primarily based on cargo from the Vietnam Petroleum Group, successfully completed 20 shipments of FO (Fuel Oil) with a total volume of approximately 315,000 tons. Revenue from deep-sea transportation reached VND 233.38 billion, achieving 143.90% of the target.

In addition to the business results achieved, Vitaco has made significant efforts to implement effective solutions in financial management, financial risk provisions, cash

flow management, and strict control over technical material standards, aiming to optimize and reduce operational costs to the minimum.

Maritime safety management has been effectively carried out, ensuring the implementation of all requirements and solutions set forth. The entire fleet consistently meets all necessary requirements and successfully passes safety inspections (vetting) within the SIRE system.

In 2024, the Company ensured absolute safety in its operations and business activities, exceeding the profit targets set by the General Meeting of Shareholders. It fulfilled its obligations to the state budget, safeguarded the interests of shareholders, and ensured income for the Company's employees.

Regarding investment and fleet renewal: The market for buying and selling vessels has experienced unpredictable fluctuations, which have had a significant impact on the Company's plan to replace, renew, and expand its fleet.

## **2.2. Activities of the Board of Directors:**

The Board of Directors operates based on collective principles, with each member taking personal responsibility for their assigned tasks. The Board has exercised its rights and duties in accordance with the Company's Charter, the Board's operational regulations, and legal requirements.

In 2024, the Board of Directors held 4 meetings and conducted 5 written consultations, issuing 13 resolutions. The Board made timely decisions to meet the management and operational requirements, focusing on its responsibilities and duties to direct, manage, and supervise the Company's activities. It implemented a range of coordinated, flexible, and timely solutions, striving to fully achieve and exceed the business targets. Among these, some important resolutions and decisions included:

- Implementing the business and production plan in accordance with the resolutions set forth by the Annual General Meeting of Shareholders in 2024.

- Approval of amendments to the Company's Charter and the Financial Management Regulations of Vitaco Saigon Company Limited; Approval of amendments to the Salary Distribution Regulations, Financial Management Regulations, and the issuance of Regulations on the Management and Use of the Company's Funds.

- Approval of the final accounts for the Management Fund for the Company's dedicated managers in 2023 and the Employee Salary Fund for 2023. Approval of the distribution of the Reward and Welfare Fund. Bonus allocation for the Company's dedicated managers in 2023.

- Approval of the final accounts for the scheduled maintenance of the Petrolimex 11 vessel, and approval of the estimated budget for the intermediate repair of the Petrolimex 14 vessel.

- Delegation of the consolidated business and production plan for the entire Company and its subsidiaries in 2024.

- Agreement to select KPMG Vietnam LLC as the auditing firm for the Company's financial statements in 2024.

- Dismissal and appointment of leadership personnel at the parent company and its subsidiaries for positions within the authority of the Board of Directors.

- Regarding vessel investment: The project to invest in one deep-sea vessel to replace the Petrolimex 08, which has been decommissioned, has not yet been completed.

- Supervision and direction of the strict implementation of reporting and information disclosure regimes to ensure transparency and accuracy in accordance with regulations.

- Board of Directors representatives regularly attend meetings of the General Director, as well as coordination meetings with subsidiary units, to stay updated on the operational and business performance of the entire Company.

### **2.3. Profit Distribution and Dividend Payment Plan:**

In accordance with Resolution No. 196/NQ-ĐHĐCĐ dated April 16, 2024, from the Annual General Meeting of Shareholders in 2024, the Board of Directors has directed the full implementation of profit distribution and the payment of dividends for 2023 in cash, with a dividend rate of 8% per share.

### **2.4. Remuneration and Operational Expenses of the Board of Directors:**

Salaries, remuneration for the members of the Board of Directors, the Supervisory Board, and the operational expenses of the Board of Directors are carried out in accordance with the Company's Charter, the Salary and Remuneration Regulations for the Company's managers, and the resolutions of the Annual General Meeting of Shareholders in 2024.

### **2.5. Activities of the Committees under the Board of Directors:**

The Committees under the Board of Directors have provided advisory support and assistance with the Board's activities in accordance with their assigned functions and responsibilities, specifically as follows:

- + Advising the Board of Directors on reviewing, developing, and amending the Charter of Vitaco Saigon and internal governance regulations to ensure compliance with new legal requirements and the practical operations of Vitaco;

- + Evaluating proposals and plans presented by the General Director or other units for the Board of Directors to make decisions within its authority ...

- + Other tasks as per the functions, responsibilities, and requirements of the Board of Directors.

### **2.6. Evaluation of the Performance of the Board of Directors Members in 2024:**

According to their assigned duties, the members of the Board of Directors have proactively engaged in their tasks, researching, reporting, and proposing matters for the Board's review and decision-making within their assigned areas and other areas as required. The members have consistently been proactive and responsible in discussions and exchanges, ensuring timely and sound decision-making.

In the past year, the members of the Board of Directors successfully completed the tasks assigned to members.

The opinions and recommendations of the independent members of the Board of Directors were seriously considered, ensuring the voice and interests of minority shareholders were respected.

**2.7. Supervision of the General Director, Chairpersons of Subsidiaries, and managers has been carried out effectively, ensuring that their activities align with the Company's goals, regulations, and best practices:**

Exercising its rights and duties, the Board of Directors has carried out supervision, direction, and management of the Company in accordance with legal regulations, the Company's Charter, and the resolutions of the General Meeting of Shareholders, specifically as follows:

- The Board of Directors has closely monitored the activities of the General Director and the Chairpersons of the subsidiary companies, promptly addressing any issues arising within its authority, and providing favorable conditions for the operational management of the General Director and the Chairpersons of the subsidiary companies.

- The Board of Directors directed and assigned the Company's capital representatives at the subsidiary companies to develop solutions aimed at enhancing capital management and improving the efficiency of capital utilization.

- In 2024, the Executive Board implemented many coordinated and flexible solutions, successfully achieving key targets set by the General Meeting of Shareholders. The General Director and management staff fully implemented and adhered to the resolutions and decisions of the Board of Directors. Throughout the operational process, the General Director and members of the Executive Board complied with the delegation of authority and responsibilities as outlined in the Company's Charter and internal management regulations.

Overall, in the year, the Executive Board, the Chairpersons of the subsidiaries, and the Company's management staff have responsibly and effectively implemented the resolutions and decisions of the Board of Directors.

**II. BUSINESS PLAN AND STRATEGIC DIRECTION OF THE BOARD OF DIRECTORS FOR 2025:**

**1. Business Plan for 2025:**

In 2025, the economy is expected to continue its recovery trend, with domestic petroleum demand projected to grow by approximately 5-7% compared to 2024. Global oil prices are expected to remain stable within the range of 70-80 USD per barrel, a price level that could provide some support to the overall recovery of the global economy. The outlook for the domestic petroleum market in 2025 is quite positive, with an increase in consumption demand and stronger domestic supply capabilities.

However, there are also challenges to face, such as the complex and unpredictable developments in the global economy; changes in domestic financial and economic policies; competition in the market, technology, artificial intelligence (AI), digital transformation, and competition from renewable energy sources, particularly electric vehicles and solar energy.

The Dung Quat and Nghi Son refineries are expected to increase their capacity by an additional 10-15%, boosting domestic production, which is projected to account for 60% of the total supply in 2025. As a result, the demand for domestic petroleum transportation is anticipated to rise.

Based on the evaluation of the 2024 performance and the forecast for 2025, the Board of Directors has set the following business plan targets for 2025 (Consolidated):

Unit: billion VND

No.	Targets	2025 plan
1	Total revenue and other income	1,080,340
2	Expenses	949,784
3	Profit before tax	130,556
4	Profit after tax	99,566
5	Contribution to the State budget	81,472
6	Profit after tax/Equity (ROE)	12.47%
7	Dividend (%)	Expected 9%

## 2. Strategic Direction of the Board of Directors for 2025:

2.1. Directing the organization of the Annual General Meeting of Shareholders in 2025 in accordance with regulations, while decisively guiding the implementation of the targets and tasks outlined in the resolutions of the 2025 General Meeting of Shareholders, ensuring effectiveness and sustainable growth.

2.2. Continuing to implement the resolutions of the 2023 and 2024 General Meetings of Shareholders regarding the investment in fleet modernization; accordingly, the Company will closely monitor the maritime transport market and the ship buying and selling market, actively seeking investment in one deep-sea vessel with a capacity of 40,000 - 50,000 DWT, under 10 years old, with an investment value of approximately 45 million USD (excluding taxes and fees), to replace the Petrolimex 08 vessel at the appropriate time.

2.3. Continuing to implement the resolutions of the 2023 and 2024 General Meetings of Shareholders regarding the investment in fleet modernization; accordingly, the Company will closely monitor the maritime transport market and the ship buying and selling market, actively seeking investment in one deep-sea vessel with a capacity of 45,000 - 50,000 DWT, under 10 years old, with an investment value of approximately 45 million USD (excluding taxes and fees), to replace the Petrolimex 08 vessel at the appropriate time.

2.4. Effectively managing the Company's capital, ensuring strong financial planning and cash flow management to be fully prepared to meet the capital requirements for business operations and investment activities.

2.5. Promoting innovation and improving business efficiency through technology platforms and digital transformation; Transitioning to green energy by implementing a net-zero strategy and carbon neutrality plan in line with the directions of the Party/Government and the Vietnam Petroleum Group.

2.6. Continue to strengthen investment in the implementation of the comprehensive Digital Transformation Strategy; invest in information technology and training. Constantly innovate, enhance labor productivity, effectively apply science and technology, and develop the Company sustainably.

2.7. Ensure the well-being of the officers, crew members, and employees both materially and spiritually; proactively attract and seek high-quality human resources, while enhancing training to improve the quality of the workforce. This is a key foundation in the Company's development strategy for the upcoming period.

2.8. Strengthen the inspection, supervision, and evaluation of the effectiveness of external capital investments. Continue to monitor and implement the divestment from non-core investments.

### **III. KEY TASKS AND MAIN SOLUTIONS OF THE EXECUTIVE BOARD IN 2025:**

In order to complete the production and business plan in 2025, the Board of Directors shall strengthen the direction of the Executive Board to implement the following key tasks and solutions:

#### **1. Some key tasks:**

1.1. Ensure the fleet's technical condition, security, and safety; maintain the maximum number of good ship days, thereby continuing the time-charter contract for 04 ocean-going vessels with Petrolimex Tanker Corporation. These vessels will serve the cargo needs of the Vietnam National Petroleum Group. Conduct a thorough review and evaluation of the current market conditions to identify new sources of goods and external customers, increasing production and business efficiency.

1.2. Continue to maximize the Group's source of FO goods and combine the exploitation of goods outside the market. Strengthen the expansion of customer relations and market development to increase the revenue of agency services and maritime services for units outside the Petrolimex system.

1.3. Ensure safety in all aspects, closely follow market developments, flexibly organize the synchronous implementation of solutions to ensure the completion of the assigned production and business targets and plans.

1.4. Strengthen the practice of thrift and anti-waste. Optimize expenditures, reduce waste, and ensure the efficient use of capital. Maintain stable cash flow, ensure solvency, and investment. Apply a strict internal control process, comply with financial regulations. Increase the use of accounting and financial management software to improve efficiency.

1.5. Focus on the development of human resources, improve the capacity and professional qualifications of mariners and employees, have solutions to encourage employees to be creative, promote their capacity to complete the set tasks.

1.6. Continue to demonstrate the social responsibility of Vitaco; such as participating in social security activities, gratitude and charity according to programs and plans, in accordance with the characteristics of the Company's situation towards the 70th anniversary of the establishment of Vietnam National Petroleum Group (12/01/1956 - 12/01/2026) and the 50th anniversary of the establishment of Vitaco Company (08/09/1975 - 08/09/2025).

#### **2. Solution:**

On the basis of identifying and evaluating the transportation market, in order to be able to implement the production and business plan in 2025 in a feasible manner, the Company focuses on implementing some of the following contents:

##### **2.1. In production and business**

\* Proactively develop operating scenarios, organize production and business, ensure safety, flexibility, and suitability to market developments, specifically:

For time charter activities: Continue to closely coordinate with Petrolimex Tanker Corporation to ensure safe operations, reasonable ship exploitation, and maintain maximum good ship days to bring about overall efficiency in the entire fleet.

For line ocean-going vessels: Focus on following the Group's cargo plan to organize appropriate ship operation, ensuring safe and timely transportation. Closely coordinate with the ship repair and maintenance schedule to ensure the maximum improvement of the ship operation coefficient, contributing to increasing production and business efficiency. Grasp market information in order to take appropriate response measures in the context of volatile market conditions. Strengthening cooperation with domestic and foreign brokers and shipowners to expand the market, find new sources of goods outside the Petrolimex system to exploit and maximize transportation capacity.

Closely following the repair schedule of 2 domestic refineries Dung Quat and Nghi Son, as well as the Group's purchase plan. In order to maximize the source of goods for coastal ships in the coming time.

Expand market share in petroleum business and ship agency services at member companies.

\* Gradually rejuvenate and improve the transport capacity of the fleet, always ready to meet international conditions and standards. Investing in replacing the inherited fleet, the fleet structure in line with practical needs, and increase competitiveness in the domestic and international markets.

\* Improving the target management – Complying with the orientation: accordingly, the company continues to improve the quality of governance, exploitation business and financial management, consistently implementing the policies and regulations of the State and the Company.

## **2.2. Technical and safety work**

Continue to improve the technical management, safety, fire prevention and fighting and environmental protection; ensure that the ship meets inspection standards, international regulations and requirements of the port depot and oil company. Minimize the time to stop ships due to incidents, strictly comply with regulations to minimize risks arising; organize the good implementation of cargo delivery to improve the reputation of the company's fleet to customers.

Perform periodic ship repairs on time, ensure quality, save costs and maintain operation efficiency. To complete the system of regulations and processes for technical management of materials and maritime safety in accordance with the law and the actual situation.

Inventory; calculate the amount of emissions, submit to the register for issuance of certificates for the entire fleet. Maintain safety and security, ensure meeting the requirements of ports and management agencies.

Implement SIRE 2.0 Vetting at the request of charterers, update the management system process according to the new SIRE 2.0 standard. Supplement and promptly update certificates and registration according to regulations. Provide full documents, charts, safety and labor protection equipment for the entire fleet of the Company.

## **2.3. Financial management**

Develop a detailed financial plan every year to control cash flow and reasonable



spending limits.

Develop an investment plan for a new accounting software system that can link modules in affiliated units to meet the company's increasing management requirements.

Continue to improve the system of regulations and processes for financial management and fund management in accordance with the provisions of law and the actual situation at the Company.

Conduct periodic internal audits, assess risks (financial, transport, freight rates, ship charter prices, fuel purchase prices, exchange rates, etc.) and propose remedial measures.

Improve the efficiency of using cash flow, increase financial income from uninvested money. Strictly monitor and control debts, deposits, payment terms, increase financial security, and preserve capital at units throughout the Company. Continue to review large cost items (fuel, repair, management, etc.), negotiate optimal service prices. Strictly manage debts, shorten the time to collect debts, optimize payment terms.

#### **2.4. Regarding labor and salary**

Strengthening the selection of highly qualified and skilled mariners, especially key positions of the fleet. Arrange and arrange personnel reasonably according to their expertise. Encourage employees, officers and mariners to constantly learn professional skills and foreign languages. There are remuneration policies, salary and income regimes for employees, especially direct workers to attract high-quality human resources.

Develop an appropriate salary plan, continue to review regulations and regulations related to the field of organization and labor, salary norms, and ensure compliance with regulations. Fully fulfill the obligations of social insurance, health insurance and unemployment insurance. Promptly settle regimes related to employees such as retirement, sickness, maternity, and resignation.

The Board of Directors respectfully submits to the General Meeting of Shareholders a report on the 2024 operating results and development orientation in 2025 for your consideration and approval.

We sincerely thank our shareholders for their continued trust and partnership with Vitaco Company. The Board of Directors is committed to collaborating closely with the Supervisory Board and the Company's Executive Board to achieve the business goals established for 2025 and to meet the expectations of our shareholders.

We wish you good health, happiness and success.

Thank you very much!

**ON BEHALF OF THE BOARD  
CHAIRMAN**

**LA VAN UT**