

ANNUAL REPORT

(Promulgated with the Circular No 96/2020/TT-BTC on November 16, 2020 of the Minister of Finance)

**ORIENTAL SHIPPING AND TRADING
JOINT STOCK COMPANY**

No.: 48.../BC-HĐQT

SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness

-----***-----

Hanoi, April 08th 2025

**To: - The State Securities Commission;
- Ha Noi City Stock Exchange.**

I. General information

1. General information

- *Trading name:* Oriental Shipping and Trading Joint Stock Company
- *Business Registration Certificate No.:* 0100105609 first issued by the Hanoi Department of Planning and Investment on August 1, 2007, registered for the 9th change on June 10, 2020.
- *Charter capital:* 200.560.000.000VND (Two hundred billion, five hundred and sixty million dong)
- *Owner's capital:*
- *Address:* No. 278 Ton Duc Thang, Hang Bot Ward, Hanoi City, Vietnam.
- *Telephone:* 024.38512688
- *Fax:* 024.38569967
- *Website:* <http://ostc.com.vn>
- *Securities code (if any):* NOS

2. Establishment and development process Date of establishment, time of listing, and development milestones since the establishment until now.

- **Establishment:** Oriental Shipping and Trading Joint Stock Company, formerly known as Thuy Bac Shipping Company, under the Vietnam River Administration, was established under Decision No. 1108/QĐ-TCCB-LĐ dated March 3 June 1993 of the Ministry of Transport on the basis of organizational transformation of the Office of River Transport Corporation I.

In Decision No. 598/TTg dated July 30, 1997 of the Prime Minister, the Company moved under the Vietnam Maritime Corporation.

According to Decision No. 219/QĐ-HĐQT dated April 1, 2004 of the General Director of Vietnam Maritime Corporation, Thuy Bac Transport Company was renamed to North Sea Transport Company.



Conversion of ownership into a joint stock company: On November 28, 2006, the Ministry of Transport approved the plan and converted the North Sea Transport Company into the North Sea Transport Joint Stock Company (NOSCO) - a member unit of Vietnam National Shipping Lines (Decision No. 2581/QĐ-BGTVT).

After a period of implementing the equitization plan, on July 8, 2007, the Company held a General Meeting of Shareholders to establish and carry out business procedures. The Company officially began operating as a joint stock company from August 1, 2007.

According to Decision No. 156/QĐ-ĐHĐCĐ dated May 30, 2017 of the General Meeting of Shareholders of the company on changing the content of business registration and amending the company charter. The company was renamed to Oriental Shipping and Trading Joint Stock Company, abbreviated as OSTC.

On June 12, 2017, the Company was granted a Certificate of Registration to change its name to Oriental Shipping and Trading Joint Stock Company (OSTC) by the Hanoi Department of Planning and Investment.

- **Listing/Trading:** Pursuant to Notice No. 1182/TB-SGDHN dated December 31, 2010 of the Hanoi Stock Exchange on officially bringing shares of Oriental Shipping and Trading Joint Stock Company entered trading at the Hanoi Stock Exchange, January 11, 2011 was the first day NOS shares traded on Upcom.

- **Business lines and locations of the business:**

- **Business lines:** Specify major lines of business or products and services which account for more than 10% of the total revenue in the last 02 years.

- **Location of business:** Specify major locations of business which account for more than 10% of the total revenue in the last 02 years.

STT	Business lines	Location of business
1	Transportation of goods, petroleum, containers by sea, river and road	No. 278 Ton Duc Thang Street, Hang Bot Ward, Dong Da District, Hanoi
2	Passenger transport by sea, river and road	
3	Ship chartering, ship leasing, ship brokerage, shipping agency, container services, transportation services and other services	

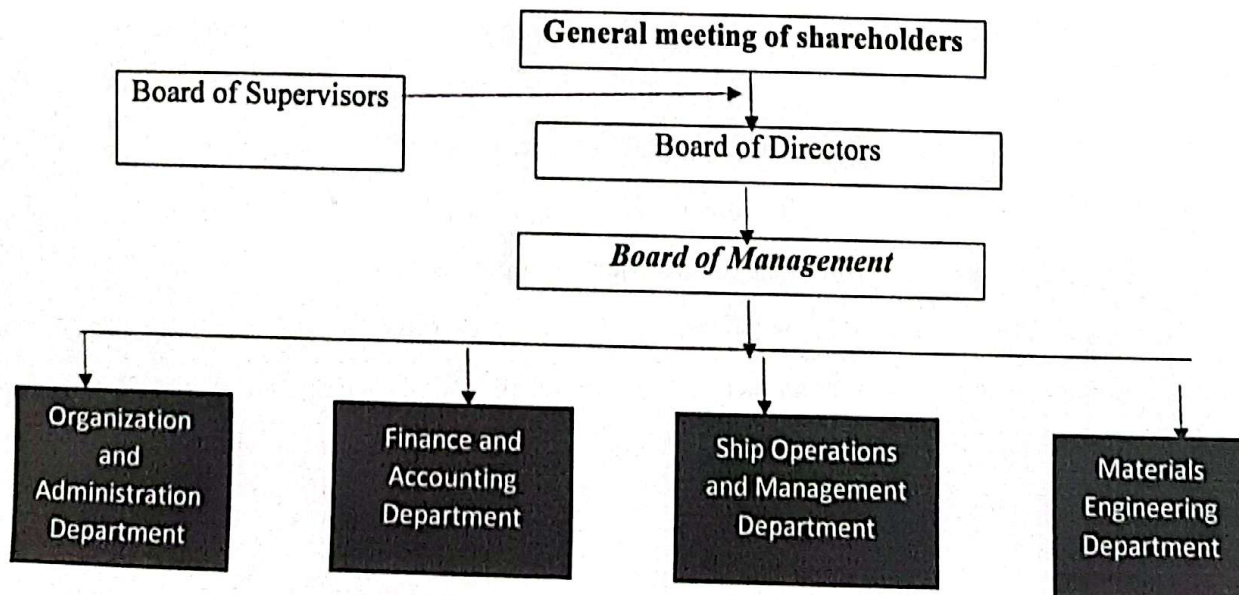
4	Direct import and export of materials, iron and steel, equipment, spare parts, goods, means of transport;	
5	Supplying Vietnamese labor to go abroad	
6	Training, education, orientation for workers going to work abroad and vocational training for Vietnamese workers	
7	Buying and selling ships, repairing ships and marine equipment	
8	Activities of centers, consulting agencies, labor and employment brokerage and referral, temporary labor supply.	

- Information about governance model, business organization and managerial apparatus
- Governance model (as stipulated in Article 137 of the Law on Enterprises).

The corporate governance model applied at the Company includes: General Meeting of Shareholders; Board of Supervisors, Board of Directors; Executive Board headed by the General Director and Deputy General Directors in charge of professional matters. The Company's organizational structure is built on the principle of assignment and management according to functional work blocks, which have close relationships with each other. The General Director manages and operates through decentralization and delegation of authority.

This governance model initially enhances management and executive efficiency, improving the governance efficiency of the Board of Directors (BOD) over the executive apparatus.

Company Chart



4.2. Management structure.

* General meeting of shareholders

- The General Meeting of Shareholders, consisting of all shareholders with voting rights, is the highest authority of the Company. The annual General Meeting of Shareholders is held once a year (01).

The General Meeting of Shareholders has the following rights and obligations:

- Through the company's development orientation
- Decide on the types of shares and the total number of shares of each type that are allowed to be offered for sale; decide on the annual dividend rate for each type of shares.
- Election, dismissal, removal of members of the Board of Directors and Supervisors
- Decision to invest or sell assets with a value equal to or greater than 35% of the total asset value recorded in the company's most recent financial report
- Decision to amend and supplement the Company Charter
- Through annual financial reports
- Decision to buy back more than 10% of total sold shares of each type.
- Review and handle violations by the Board of Directors and the Board of Supervisors that cause damage to the company and its shareholders.
- *Decision to reorganize and dissolve the company*
- Other rights and obligations as prescribed by the Law on Enterprises and the Company Charter.
- The General Meeting of Shareholders must discuss and vote on the issues included in the meeting agenda.

* Board of Directors

The Board of Directors is the company's management body, with full authority to decide and exercise the company's rights and obligations on behalf of the company that are not under the authority of the General Meeting of Shareholders. The Board of Directors consists of 05 members (including 01 Chairman of the Board of Directors and 04 members) with a term of 05 years. Members of the Board of Directors can be re-elected for an unlimited number of terms. The Board of Directors has the following rights and obligations:

- a) Decide on the Company's strategy, medium-term development plan and annual business plan.
- b) Proposal on types of shares and total number of shares of each type that can be offered for sale.
- c) Decision to sell unsold shares within the number of shares allowed to be offered for sale of each type; decision to raise additional capital in other forms
- d) Decision on selling price of shares and bonds of the Company
- đ) Decision to repurchase shares as prescribed in Clause 1 and Clause 2, Article 11 of this Charter

- e) Decide on investment plans and investment projects with a value of less than 35% of the total asset value recorded in the Company's most recent financial report and within the limits prescribed by law.
- g) Decide on market development, marketing and technology solutions;
- h) Decision to liquidate or sell assets with a value of less than 35% of the total asset value recorded in the Company's most recent financial report.
- i) Approving contracts for purchase, sale, borrowing, lending and other contracts and transactions with a value of 35% or more of the total asset value recorded in the Company's most recent financial report, and contracts and transactions under the decision-making authority of the General Meeting of Shareholders as prescribed in Point d, Clause 1, Article 23, Clause 4, Article 57 of this Charter.
- j) Elect, dismiss, remove the Chairman of the Board of Directors; appoint, dismiss, sign contracts, terminate contracts with the General Director, Deputy General Director, Chief Accountant; decide on salaries, remuneration, bonuses and other benefits of those managers.
- l) Appoint authorized representatives to participate in the Board of Members or General Meeting of Shareholders at other companies, decide on the remuneration and other benefits of those persons
- k) Supervise and direct the General Director and other managers in the daily business operations of the Company
- l) Decide on the organizational structure and internal management regulations of the Company, decide on the establishment of subsidiaries, branches, representative offices and capital contribution and purchase of shares of other enterprises.
- m) Approve the agenda and content of documents for the General Meeting of Shareholders, convene the General Meeting of Shareholders or collect opinions for the General Meeting of Shareholders to pass resolutions.
- n) Submit audited annual financial statements to the General Meeting of Shareholders.
- o) Propose the level of dividends to be paid; decide on the time limit and procedures for paying dividends or handling losses arising during the business process.
- p) Proposing the reorganization and dissolution of the Company; requesting the bankruptcy of the Company.
- q) Decision to promulgate the Board of Directors' Operating Regulations, Internal Regulations on Corporate Governance after being approved by the General Meeting of Shareholders; decision to promulgate the Operating Regulations of the Audit Committee under the Board of Directors, Regulations on information disclosure of the company.
- s) Other rights and obligations as prescribed by the Law on Enterprises, the Law on Securities, other provisions of law and the Company Charter.

*** Board of Supervisors**

The Board of Supervisors is an organization elected by the General Meeting of Shareholders, representing the General Meeting of Shareholders to control all production, business, management and operation activities of the Company. The Board of Supervisors operates independently from the Board of Directors and the executive apparatus of the General Director.

The Board of Supervisors consists of 3 (three) members, of which more than half must be permanent residents in Vietnam; the term of office of the Supervisors shall not exceed 05 years and the Supervisors may be re-elected for an unlimited number of terms.

The Board of Supervisors has the following rights and obligations:

- Check the rationality, legality, honesty and level of prudence in management and operation of business activities, in the organization of accounting, statistics and financial reporting.
- Appraise the Company's annual and six-monthly business performance reports, financial reports, management assessment reports of the Board of Directors and submit the appraisal reports of the Company's annual financial performance reports, business performance reports and management assessment reports of the Board of Directors to the General Meeting of Shareholders at the annual meeting.
- Review, inspect and evaluate the effectiveness and efficiency of the internal control system and internal audit to report and propose to the Company.
- Exercise other rights and obligations as prescribed by the Law on Enterprises, the Company Charter and the Resolution of the General Meeting of Shareholders.

*** Board of Management**

The Company's Executive Board consists of 04 members, including 01 General Director and 03 Deputy General Directors, carrying out the Company's daily business activities.

The General Director is the person who runs the daily business of the company; is supervised by the Board of Directors; is responsible to the Board of Directors and before the law for the implementation of assigned rights and obligations. The term of office of the General Director is not more than 05 (years) and can be reappointed with an unlimited number of terms.

The General Director has the following rights and obligations:

- Decide on matters relating to the daily operations of the company without requiring a decision from the Board of Directors.
- Organize the implementation of the Board of Directors' resolutions.
- Organize the implementation of the company's business plan and investment plan.
- Proposing organizational structure plan, internal management regulations of the company.
- Appoint, dismiss, and remove management positions in the company, except for positions under the authority of the Board of Directors.

- Propose to the Board of Directors on the appointment, dismissal, removal of Deputy General Director, Chief Accountant and management positions in the company.

- Other rights and obligations as prescribed by law, the Company Charter and resolutions of the Board of Directors.

- The Deputy General Director is the assistant to the General Director. The Deputy General Director is assigned and authorized by the General Director to manage one or several areas of the Company's operations. The Deputy General Director is directly responsible to the General Director, the Board of Directors and the law for the assigned and authorized tasks. The Deputy General Director may concurrently be in charge of departments or affiliated units.

*** Departments and divisions of the Company**

Currently, the Company has 04 management departments including: Organization - Administration Department; Finance - Accounting Department; Technical and Material Department; Ship Operation and Management Department. The management departments are located at the Company's headquarters, conducting all business activities of the entire Company and have Heads and Deputy Heads of Departments directly managing the business activities of the department, responsible to the General Director for the above tasks. The specific functions of these departments are as follows:

Organization and Administration Department

- + Advise and assist the Board of Directors in the areas of synthesis and coordination of all organizational and administrative work of agencies and units according to the Company's work plan and program, carry out recruitment, appointment, dismissal of staff, administration, salary, management, documents, archives, and security.

- + Take the lead and preside over the proposal of planning, construction, consolidation and development of the apparatus, organizational structure, functions and tasks of units and organizations in the Company. Preside over and coordinate with units to organize and implement the work of building, training, fostering and developing the staff.

- + Advise the General Director to decide on criteria, standards and implement the annual staff evaluation process; organize and manage emulation and reward work in the Company. Preside over the organization of evaluation, approval of salary and allowance increases, and consider proposals to extend the working time of staff according to regulations and submit to the Director for decision.

- + Manage and operate the Company's means of transportation to serve business trips of Leaders and units according to the Company's regulations.

- + Monitor, synthesize and advise on training courses for employees; take charge of the Company's periodic and ad hoc professional inspections.

- + Implement labor safety, labor hygiene, and fire prevention activities throughout the Company.

+ Advise the Board of Directors and the Board of Management on matters related to shares, such as: shareholder relations, collecting documents to prepare for the General Meeting of Shareholders, performing capital increase procedures, being in charge of the Company's website and public relations.

+ Advise, deploy, and direct the implementation of the work of the Company's Party Committee in accordance with the Party's charter and guiding documents of the Party organization and superiors.

Finance - Accounting Department

+ Organize accounting work to manage and use state capital and assets at the Company according to State regulations. Direct professional activities, inspect and supervise the management and use of capital and assets at affiliated units.

+ Advise the General Director on the company's financial issues.

+ Propose effective capital usage plan

+ Carry out collection and payment and issue financial invoices according to regulations.

+ Participate in internal acceptance of Company items

+ Manage the Company's assets, warehouses and funds

+ Managing the Company's assets, warehouses, and funds Organize and apply the system of accounting documents, accounting accounts, and accounting books to record and monitor fully and accurately all assets and capital that the Company is managing and using in accordance with current accounting regulations. Manage, store, use, and provide accounting information and documents in accordance with the provisions of law.

+ Directing, guiding professional activities and checking and supervising the financial revenue and expenditure, debts, management and use of assets, materials, and capital of units and departments under the Compan.

+ Implement and evaluate the implementation of financial plans; Participate in monitoring and evaluating the effectiveness of the Company's investment capital use.

Ship management and operation department

+ Advise and assist the Board of Directors and General Director of the company in the management and operation of the fleet; crew work and legal and safety operations to ensure compliance with the law, safety and efficiency.

+ Organize the implementation of ship operation and exploitation; guide, summarize, inspect, urge and implement transaction relations in the field of transportation; guide ships and related departments to comply with the ISM safety management code, the ISPS code and related conventions of the IMO....

+ Recruit, manage, replace, arrange, train, use, lease... the Company's officers and crew members who meet the prescribed standards. Joint ventures and partnerships with training units and facilities to

receive and train to ensure that the Company's officers and crew members are always sufficient in both quantity and quality, promptly meeting the fleet's needs. Implement policies, labor safety, labor protection, emulation, rewards, discipline... for officers and crew members.

+ Advise the company's leadership in proposing plans for managing and exploiting the company's fleet. Propose organizational measures and policies to ensure the company's fleet operates safely, effectively and in accordance with the law.

+ Develop, revise, supplement and organize the implementation of the Safety Management handbook and security plans on ships; inspect and supervise the implementation of the safety and security management system on ships and related professional departments under the direct direction of the person in charge (DP).

+ Carry out the exploitation and operation of the fleet's transportation activities to ensure safety, compliance with the law and efficiency. Negotiate and negotiate to sign contracts including time charter contracts; contracts on services, shipping agencies and maritime brokerage of the Company; Logistics services, select agents, draft agency contracts for the General Director to sign and effectively implement signed contracts. Closely monitor and regularly direct ships to perform contracts well, ensure revenue, save costs, ensure safety of goods, safety of ships, assets and lives of crew members.

+ Coordinate with relevant departments to participate in or direct the resolution of disputes and complaints regarding commodity contracts, incidents, accidents, negative incidents, property theft, etc. and other litigations related to the interests and reputation of the Company, its affiliated units or individual employees in the Company.

+ Purchase insurance for ships, vehicles, crew... perform necessary procedures and prepare insurance records to protect the Company's economic interests in the insurance field.

+ Instruct the captain on necessary procedures to handle issues related to accidents and incidents; Closely monitor the ship's journey at sea, especially in stormy or dangerous sea areas to promptly notify and remind crew members. Timely transfer to the captain the latest maritime information in the area where the ship is operating so that the captain can take timely measures.

+ Collecting freight and controlling and monitoring freight collection and ship leasing. Performing other business tasks in the maritime field such as technical consulting, ship purchase and sale appraisal, ship collision damage appraisal, etc.

+ Provide full nautical publications, charts, logbooks for ships. Carry out necessary procedures for competent authorities to issue DOC, SMC, ISSC, MLC certificates, ship station licenses for ships in accordance with current maritime transport business regulations.

+ Develop plans and organize the implementation of recruitment, selection, management, use, replacement, transfer, assignment, arrangement, leasing, training, rewarding, disciplining... for officers and crew members, submit them to the Company's leaders for approval and organize the implementation of approved plans to ensure rationality, efficiency, minimize business costs and timely and adequate supply of officers and crew members in both quantity and quality for the company's fleet.

+ Monitor, manage, and issue and change diplomas, certificates, passports, crew members' passports, ordinary passports, and crew members' visas according to current regulations, ensuring accuracy, completeness, timeliness, honesty, and compliance with current regulations.

+ Coordinate with relevant departments to directly explain issues regarding salary, bonus, competition, reward, discipline and other benefits for crew members; make a list of newly recruited crew members, those with changes in title, salary, etc. to participate in purchasing social insurance, health insurance, unemployment insurance, P&I insurance, accident insurance, etc. in accordance with regulations.

+ Orient and build a team of officers and crew members with sufficient qualities and abilities to meet job requirements. Proactively propose plans and measures for training, fostering, educating, coaching, and updating knowledge for the team of officers and crew members. and must fully record the titles, degrees, clothing, shoes, hats, and current residence of the crew members.

+ Preside over the organization of meetings and conferences related to crew members as required. Coordinate with relevant departments to develop safety measures, fire prevention, fire fighting, social evil prevention, practice thrift, combat waste; properly and fully implement toxic regimes, work and rest regimes, improve working conditions; organize training on occupational safety and hygiene and labor protection...

+ Coordinate with relevant departments to evaluate the qualifications of officers and crew members with the Company's leadership. If necessary, proactively intervene to promptly and effectively prevent illegal incidents of crew members that may cause insecurity, economic loss, reputation of the Company or illegal acts such as smuggling, transporting dangerous goods, etc.

Technical Department - Materials

+ The Technical Materials Department has the function of advising the Board of Directors and the General Director on the technical management of the fleet, technical equipment; the use and distribution of materials, spare parts, fuel, etc. for the Company's fleet.

+ Directly manage, inspect and urge the implementation of standards, processes and regulations on technical materials, construction, preservation, maintenance and repair to serve the effective exploitation of transportation business.

+ Effectively manage and exploit the Company's existing technical facilities and equipment. Implement tasks in areas related to technical equipment and facilities. Develop processes, technical standards, technical management regulations, periodic repairs of machinery, equipment, and vehicles; internal rules, regulations, processes, and regulations for management, distribution of materials, fuel, spare parts, equipment, etc. for the fleet and submit them to the leadership for review and approval.

+ Directly and implement technical repair and maintenance plans for the Company's fleet

+ Authorized by the General Director to directly contact the competent inspection agency to plan and organize repairs and maintenance... for ships according to inspection requirements and receive technical certificates for ships.

+ Advise leaders in selecting partners to sign economic contracts related to technical work, maintenance, repair, purchase of materials, spare parts, fuel, equipment... to ensure legality and efficiency. Guide and direct crew members to implement the ISM Safety Management Code and the ISPS Code on technical work.

+ Participate in appraisal and provide technical comments on fire safety and environmental protection for the Company's projects. Monitor and evaluate technical qualifications and update new knowledge and regulations on technical standards for crew members.

+ Manage technical records of materials of means of transport; documents, papers, ship inspection records and regulations related to performing functions and tasks.

4.3. Subsidiaries, associated companies: (Specify the names, addresses, major fields of production and business, paid-in charter capital, ownership percentages of the Company in such subsidiaries, associated companies).

Parent company, subsidiaries, affiliates

STT	Company name	Address	Production and business fields	Ownership ratio
<i>The company holds the equity capital of Nos</i>				
1	Vietnam National Shipping Lines	No. 1 Dao Duy Anh Street, Phuong Mai Ward, Dong Da District, Hanoi City	<ul style="list-style-type: none"> Maritime transport, port operation, transport agency, brokerage, freight forwarding, multimodal transport business, ship repair, provision of maritime services and other related activities; Export and import of raw materials and specialized equipment Providing crew 	49%

			<ul style="list-style-type: none"> Participate in joint ventures and economic cooperation with domestic and foreign partners in accordance with the provisions of law. 	
Nos Company holds over 50% of equity, associated companies				
2	NOSCO Quang Ninh Water Transport and Trading Joint Stock Company	No, 29 Le Thanh Tong, Ha Long City, Quang Ninh Province	<ul style="list-style-type: none"> Transport of goods and passengers; Shipping agency services, maritime transport; Villas, guesthouses, motels, short-term accommodation services. (currently suspended) 	51%
3	Nosco Shipyard Joint Stock Company	Village 4, Tien Phong Commune, Quang Yen Town, Quang Ninh Province	<ul style="list-style-type: none"> Repair and maintenance of means of transport; Shipbuilding and floating structures; Repair of machinery and equipment; Direct support service activities for water transport; Coastal and ocean freight transport 	21,26%

5. Development orientations

5.1. Main objectives of the Company.

In the first quarter of 2024, the upcoming Lunar New Year holiday caused a sharp drop in cargo output from China, the slow Asian market affected the demand for small-sized vessels such as supramax and handy size, the BDI index was 1397 points. From the middle of the first quarter of 2024, the market became active again thanks to the recovery of the Pacific region after the long Lunar New Year holiday. In addition, Indonesia's thermal coal exports reached a high level in early 2024, up 24% compared to the same two months of 2023. In addition, iron ore prices traded in China continued to increase thanks to the growing demand of the Chinese domestic market. This also positively affected the demand for construction materials transportation in the regional market. However, by the end of the quarter, the BDI index decreased due to the impact of low demand for transportation due to the impact of the Easter holiday, causing a large number of empty vessels, reaching only 1821 points. By the second half of 2024, the BDI index will reach more than 1,600 points, and the market will generally remain at an average level. After the 10-day National Day holiday in China in early Q3/2024, freight volume remains quite low. Freight rates have not yet reached expectations. Freight volume in these markets will continue to be low in the last months of 2024.

For Vietnam's domestic market, the recently implemented interest rate reduction support policies from the State Bank of Vietnam will cause domestic consumption demand to begin to recover, leading to

domestic freight demand to begin to improve again in the second half of the year. Specifically, it is forecasted that Vietnam's domestic maritime transport volume in the second half of the year will improve by about 11% compared to the first half of 2024.

In addition, the world situation has many instabilities, difficulties, and challenges; Especially military conflicts, escalating political instability in the Middle East, fluctuations in USD exchange rates and gold prices in the world create many difficulties for financial activities in general and transportation activities in particular.

Although in 2024, the Company faced many difficulties such as complicated economic and geopolitical situations, competition in freight rates, exchange rate differences, increased operating costs, shortage of quality crew members due to higher salaries paid by other companies, high age of ships... In that context, Oriental Shipping and Trading Joint Stock Company has tried to proactively find all measures to overcome all difficulties and challenges, expand the shipping market, and at the same time expand service segments, invest in potential areas, to try to put the company into stable operation to ensure that the material and spiritual life of workers is increasingly improved and enhanced.

5.2. Development strategies in medium and long term.

In 2024 and the following years, strive to stabilize and exploit the Company's existing fleet well, and exploit additional chartered cargo services. In addition to exploiting the existing fleet well, the Company expands transportation services, crew rental, office rental, and airline ticket agency to create revenue for the Company.

5.3. Corporate objectives with regard to Corporate environment, society and community Sustainability.

Along with production activities, with the tradition of mutual love and community orientation, OSTC has carried out charitable activities, supporting the poor in remote areas, people in areas affected by natural disasters and floods. At the same time, the company also implements environmental education programs for employees and actively participates in environmental sanitation campaigns to raise awareness of environmental protection. Through this, the company wants to show its respect for the cultural quintessence of the country, as well as its determination to create a green, clean and beautiful environment.

Risks: Specify the risks probably affecting the production and business operations or the realization of the Company's objectives, including environmental risks).

6. Risks

6.1. Economic risk

First, risks from financial and monetary policy, Global financial markets have shown remarkable resilience after a long period of tight monetary policy, but risks remain. According to the latest IMF report (2024), many asset classes may see re-pricing risks as expectations of future rate cuts become more likely, despite uncertainties about both the size and timing of policy rate changes.

Second, geopolitical risks remain high, Geopolitical risks remain a significant threat to the global economy in 2024, particularly as ongoing conflicts in the Middle East escalate, causing disruptions in energy and financial markets.

With escalating tensions between Israel and Iran, the situation in the Middle East will continue to heat up in 2024. In particular, observers have expressed concern about possible instability in the Strait of Hormuz - the world's "black gold gateway". According to the International Energy Agency (IEA, 2024), about 30% of global oil and 20% of liquefied natural gas are transported through the Strait of Hormuz, a vital route for transporting oil from Middle Eastern countries to markets in Asia, Europe and North America. Although conflicts may not completely stop the flow of energy through this strait, even short-term disruptions can have a significant impact on the global energy market.

The Israel-Hamas war in the Gaza Strip, Houthi rebel attacks on cargo ships passing through the Red Sea, and ongoing fighting between Russia and Ukraine have all had negative effects on the global economy. In particular, disruptions to energy supplies have pushed up energy prices and led to higher logistics costs. Brent crude futures in London, the global oil benchmark, have risen from less than \$76 a barrel at the start of the year to more than \$90 a barrel now, an increase of more than 18%. "This has led to higher commodity costs and increased global inflationary pressures," said the International Monetary Fund (IMF) in a statement.

- 6.2. Legal risks

- As a business operating in the field of Maritime Transport, OSTC is subject to the Vietnam Maritime Code, Government regulations on maritime transport support services such as loading and unloading goods at seaports, shipping agents, sea transport agents, ship cleaning, etc. In addition, OSTC's activities are also directly related to marine environmental issues and OSTC always complies with international conventions on environmental safety and protection of marine life. Changes in these regulations and conventions will affect OSTC's business activities, or not understanding international conventions will cause unexpected damage to the Company.

- In addition, OSTC is a Joint Stock Company operating under the Enterprise Law, subject to the regulations of the Law on Securities and the Securities Market. Currently, the relevant regulations in this field are in the process of completion, revision and supplementation. Changes in policy can always occur and then will more or less affect the Company's management and business activities.

6.3. Specific risks

- The shipping industry is an industry with many unique factors, different from other industries. Factors such as fuel prices, freight rates, or competition issues all affect the business performance of the enterprise.

- Risks of regulations and standards of the maritime safety management code issued by the International Maritime Organization (IMO) are increasingly stricter on pollution and pollution prevention issues... requiring investments to ensure that the requirements are met.

- Risks in the mining market: The Philippine cement import market has many unpredictable fluctuations in output due to the Philippine government's domestic production protection policy and the country's manufacturers are also trying to increase output to meet domestic demand. Indonesia's rice import demand is also difficult to predict. Recent changes in the Philippines' rice import laws and policies will significantly reduce the role of the state in centralized purchasing and promoting private resources, which will more or less fragment the market. Although the demand for imported coal for Southern thermal power plants is large, due to the lack of quality supply and importers' inability to proactively purchase goods from the source, the opportunity to gain market share for this group of goods is relatively low, and falls into the hands of foreign shipping lines. Traditional markets are increasingly competitive, the age requirements for ships are increasingly strict, so the risk of many of the Company's ships losing the ability to compete on cargo routes is real.

- Risks in the competitiveness of the fleet: most of the ships are old, have limited technical condition, and fuel consumption is not as good as that of the young fleet. Repair and maintenance costs to maintain the condition of the ships increase.

- Operational risks: the fleet is getting older and the continuous exploitation time is increasing, causing the frequency of technical incidents of the fleet to increase, the conditions for on-site repair supply are relatively weak, spare parts and materials for repair and replacement are difficult to reserve for many items due to inventory costs.

- Financial risk: payment of expenses for production and business and repayment of debt for financial restructuring depends largely on business results and ship liquidation. If the cash flow from production and business activities and ship liquidation is not enough to cover production and business activities, it will lead to low payment capacity, causing difficulties for business operations.

- Risks in human resources: the lack of human resources and weak capacity of seafarers is a big challenge for the company in particular and for shipping enterprises in recent years. Statistics of incidents and maritime accidents on ships mostly originate from human negligence in exploiting and operating equipment.

6.4. Exchange rate risk

- OSTC conducts payment transactions in foreign currencies, mainly in USD. The exchange rate between VND and other foreign currencies, especially USD, when complicatedly fluctuating will directly affect contracts signed with foreign partners and loans in foreign currencies, affecting the Company's business results.

6.5. Other risks

- Other risks such as natural disasters, enemy attacks, etc. are force majeure risks. If they occur, they will cause damage to assets, people and the general operation of the Company. To limit the damage from these risks, OSTC has implemented safety protection measures and purchased insurance for the Company's assets and people.

II. Operations in the Year

1. Situation of production and business operations

Production and business results in 2024

T T	Item	Unit	Implement ation in 2023	Plan of 2024	Implement ation in 2023	Compar asion Impl 2024/Im pl 2023	Compara sion Impl 2024/Pla n 2024
1	output						
	Transport output (ton)	Ton	773.405	562.400	1.027.072	132,80%	182,62%
	Turnover	Ton/Km					
2	Total Revenue	million VND	171.416	179.501	188.711	110,09%	105,13%
	Fleet Revenue	million VND	162.265	117.851	154.163	95%	130,81%
	charter revenue	million VND	4.438		1.546	34,83%	
	Other revenue	million VND	4.713		33.002	700,23%	
3	total cost	million VND	470.566	307.995	477.897	101,56%	155,16%

	fleet costs	million VND	308.105	226.218	275.086	89,28%	121,60%
4	profit	million VND	-299.151	-128.494	-289.186	96,67%	225,06%
5	EBITDA	million VND	-78.645		-104.021		

2. Human resources organization

2.1. List of Executive Board

STT	Full name	Position
1	Mr. Pham Van Tuong	General Director
2	Mr. Tran Thanh Ha	Deputy General Manager
3	Mr. Nguyen Van Hoai	Deputy General Manager
4	Mr. Le The Viet	Deputy General Manager
5	Ms. Hoang Thi Thu Thao	Chief Accountant

2.2. Curriculum vitae and ownership ratio of voting shares and other securities issued by the company of the members of the Executive Board

Full name:	Mr. Pham Van Tuong
Gender:	male
Date of birth:	02/01/1982
Place of birth:	Nam Dinh
Nationality:	Viet Nam
Nation:	Kinh
Current place of permanent residence registration:	Group 13, Yen Hoa Ward, Cau Giay District, Hanoi City
Digital identity card	036082002029, Date of issue: 04/02/2022
Điện thoại liên hệ/ Tel:	024. 38512688
Cultural level:	12/12
Professional qualifications:	Vietnam Foreign Trade Economics - Maritime University
Service:	Member of Board of Directors, Party Secretary, General Director of the Company
work process:	<ul style="list-style-type: none"> 2006- 8/2011: Specialist of Shipping Department, Northern shipping Joint Stock Company. 2011-5/2015: Deputy Head of Shipping Department, Northern trading and Joint Stock Company. 5/2015 - 9/2015: Head of Shipping Department, Northern Shipping Joint Stock Company.

	<ul style="list-style-type: none"> 9/2015 -27/5/2020: Deputy General Director of Oriental Shipping and Trading Joint Stock Company 28/5/2020 to present: Member of Board of Directors, Party Secretary, General Director of Oriental Shipping and Trading Joint Stock Company
Positions held at other organizations:	No
Stock ownership ratio:	200 share
Shareholding ratio of related persons	No
Illegal behavior	No
Debts to the Company	No
Interests conflict with the Company's interests	No

Full name:	Mr. Tran Thanh Ha
Gender:	Nam/male
date of birth:	22/12/1966
place of birth:	Nghe An
Nationality:	Viet Nam
Nation:	Kinh
Current place of permanent residence registration:	No. 12, Alley 25/43 Vu Ngoc Phan, Lang Ha Ward, Dong Da District, Hanoi City
Digital identity card	04006600324, Date of issue 21/6/2018,
Tel:	024. 38512699
Cultural level:	12/12
Professional qualifications:	Bachelor of Labor Economics
Service:	Deputy General Manager
Work process:	<ul style="list-style-type: none"> - 11/1989 – 01/2007: Head of TCHC Department of Phu Tho Petroleum Company - 02/2007 – 04/2007: Assistant to General Director of Northern Shipping Joint Stock Company - 04/2007 – 02/2008: Deputy Director, Director of Service Center and Labor Export - 03/2008 – 05/2010: Director of Nosco International Training and Human Resources Supply Company Limited - 06/2010 - 5/2017: Deputy General Manager of Northern Shipping Joint Stock Company - 6/2017 to present: Deputy General Manager of Oriental Shipping and Trading Joint Stock Company

Positions held at other organizations:	No
Tỷ lệ sở hữu chứng khoán/ Stock ownership ratio:	13,690 share
Shareholding ratio of related persons	No
Illegal behavior	No
Debts to the Company	No
Interests conflict with the Company's interests	No

Full name:	Mr. Nguyen Van Hoai
Gender:	Male
Date of birth:	25/10/1979
Place of birth:	Thai Binh
Nationality:	Viet Nam
Nation:	Kinh
Current place of permanent residence registration:	No. 10, Block B1, Technical Department II, Khuong Dinh, Thanh Xuan, Hanoi City
Digital identity card	034079012788 Date of issue 28/6/2022
Tel:	024. 3 8512688
Cultural level:	12/12
Professional qualifications:	Bachelor – Vietnam Maritime University
Service:	Deputy General Manager
Work process:	<ul style="list-style-type: none"> ▪ 2/2001-3/2005: Ocean Shipping Company Bac Thuy Transport ▪ 4/2005-9/2008: Deck Operations Officer, Northern Water Transport Company ▪ 10/2008-12/2009: Ship Management Officer (Chief Mate) of Northern Shipping Joint Stock Company ▪ 01/2010-2016: Ship Management Officer (Captain) of Northern Shipping Joint Stock Company ▪ 08/2016-11/2016: Assistant to General Director of Northern Shipping Joint Stock Company ▪ 11/2016-03/2017: Assistant to General Director, Acting Head of Legal - Safety Department of Northern Shipping Joint Stock Company

	<ul style="list-style-type: none"> 4/2017-07/2020: Head of Legal - Safety - Crew Department, Oriental Shipping and Trading Joint Stock Company - 7/2020 to present: Deputy General Manager of Oriental Shipping and Trading Joint Stock Company
Positions held at other organizations:	No
Stock ownership ratio:	0
Shareholding ratio of related persons	No
Illegal behavior	No
Debts to the Company	No
Interests conflict with the Company's interests	No

Full name:	Mr. Le The Viet
Gender:	Male
Date of birth:	15/01/1983
Place of birth:	Hai Phong
Nationality:	Viet Nam
Nation:	Kinh
Current place of permanent residence registration:	Room 11, 20th floor, Bac Ha apartment building, 219 Trung Kinh ward, Cau Giay district, Hanoi city
Digital identity card	031083014499 : Date of issue 20/4/2021
Tel:	024. 38512688
Cultural level:	12/12
Professional qualifications:	Marine Engineering – Vietnam Maritime University
Service:	Deputy General Manager
Work process:	<ul style="list-style-type: none"> T11/2006-12/2007: Join SEOCJ Japan training course 2008-0/2010: Crew of Dong Do Company Limited 9/2010-8/2015: Technical Department Specialist in charge of ships of VTB Container Vinalines Company 9/2015-12/2015: Deputy Head of Materials Engineering Department of Northern Shipping Joint Stock Company 1/2016 - 7/2020: Deputy Head of Materials Engineering Department of Oriental Shipping and Trading Joint Stock Company 7/2020 to present: Deputy General Manager of Oriental Shipping and Trading Joint Stock Company

Positions held at other organizations:	No
Stock ownership ratio:	0
Shareholding ratio of related persons	No
Illegal behavior	No
Debts to the Company	No
Interests conflict with the Company's interests	No

Full name:	Ms. Hoang Thi Thu Thao
Gender:	Female
Date of birth:	08/4/1979
Place of birth:	Hai Phong
Nationality:	Viet Nam
Nation:	Kinh
Current place of permanent residence registration:	B23, Lot 15, Dinh Cong Urban Area, Dinh Cong Ward, Hanoi City
Digital identity card	001179001154 Date of issue 18/3/2014
Tel:	024. 38512688
Cultural level:	12/12
Professional qualifications:	Master of Finance and Accounting
Service:	Chief Accountant
Work process:	<ul style="list-style-type: none"> ▪ 2000 – 2005 Accountant at Vietnam Mining Corporation. ▪ 2005 – 3/2008: Accountant at the Department of Surveying and Mapping - Ministry of Natural Resources and Environment ▪ 4/2008 – 2015: Accountant of Nothern Shipping Joint Stock Company ▪ /2015 – 6/2015: Deputy Head of Finance and Accounting Department of Nothern Shipping Joint Stock Company ▪ 6/2015 – 10/2015: Head of Finance and Accounting Department of Nothern Shipping Joint Stock Company ▪ 8/2015-5/2017: Head of Finance and Accounting, Chief Accountant of Nothern Shipping Joint Stock Company ▪ 6/2017 to present: Head of Finance and Accounting, Chief Accountant of Oriental Shipping and Trading Joint Stock Company

Positions held at other organizations:	No
Stock ownership ratio:	100 share
Shareholding ratio of related persons	No
Illegal behavior	No
Debts to the Company	No
Interests conflict with the Company's interests	No

2.2. Changes in the Board of Management

2.3. Number of staffs. Brief information and changes on the employee's policies.

2.3.1. Number of staffs.

The total number of employees of the Company as of March 31, 2025 is 94 people, of which the number of employees, officers and crew members is 68 people.

2.3.2. Brief information and changes on the employee's policies.

- Working and resting hours:

Working hours: For indirect workers and office workers, working hours are 8 hours/day and 40 hours/week, with Saturday and Sunday off; major holidays in the year are taken according to the provisions of labor law. Working hours of crew members on ships in operation or awaiting repair are implemented according to current regulations of the State and international practices.

The number of annual leave days (vacation) for employees working in normal conditions is 12 days, for employees working in arduous and hazardous conditions is 14 days, for especially arduous labor is 16 days and for every 5 years of work, 01 additional day of annual leave is added.

- Salary and wages:

The Company builds its own salary scale to ensure that it does not violate State regulations, is suitable for the actual conditions of the Company, and the latest salary scale applies from July 1, 2022. Every year, when the State changes its salary policies, increases the minimum wage for the region... The Company makes appropriate amendments and supplements to the salary scale system to register with the State management agency before implementation.

- Payment method

+ For management and professional employees, practical service is paid based on actual working days and work completion level according to the Company's current salary and bonus distribution regulations.

+ For seafarers, salaries are paid according to the salary table for each position on the ship issued with the salary regulations and benefits for seafarers.

The Company shall ensure that the regulations on salary payment and bonus distribution; regulations on salary payment and other benefits for seafarers; labor norms... are not contrary to current regulations of the State.

The establishment and use of unemployment benefit funds, payment of severance pay and suspension of employment for employees are carried out in accordance with current laws.

The Company's actual salary fund in 2024 is: 29.5 billion dong.

Meal allowance for crew members and mid-shift meal allowance paid to workers: 2,5 billion dong.

Average labor force in 2024 is 148 workers; average income is 15,500,000 VND/person/month.

- Social Insurance, Unemployment Insurance and Health Insurance

The number of people participating in social insurance, health insurance, unemployment insurance, and occupational accident insurance up to March 31, 2024 at the Company Office is 94 people (100% of employees), of which the number of people currently paying is 63 people, the number of people temporarily suspending social insurance is 31 people. The deduction is made according to State regulations (employees 10.5%, employers 22%).

From January 1, 2024 to December 31, 2024, the Company has fully contributed to the Social Insurance, Health Insurance, Unemployment Insurance, and Labor Accident Insurance funds of: VND 2.2 billion. Social insurance paid in lieu of salary is VND 00 million (including sick leave, maternity leave, etc.).

In 2024 and the first quarter of 2025, the Company issued new social insurance books for 11 employees; The number of social insurance books closed for payment to employees is 85 books; The number of books that have not been closed due to debt to the social insurance agency: không/no

3. Investment situation, project implementation situation

3.1. Major investments (including financial investments and project investments)

In 2024, the Company has no plans for investment or basic construction.

3.2. Subsidiaries, affiliates

3.2.1. NOSCO Quang Ninh Water Transport and Trading Joint Stock Company

Establishment license: No. 5701311316, first registered on September 4, 2009, first change registered on March 19, 2010

Head office address: No. 29 Le Thanh Tong, Ha Long City, Quang Ninh Province

Tel:(033)3.825 110

Fax: (033)3.629 794

Registered charter capital: 15,000,000,000 VND (Fifteen billion VND)

Legal representative: Mr. Tran Duc Thang Title: Chairman of the Board of Directors

Main business lines: Freight and passenger transportation; Shipping agency services, maritime transportation; Villas, guesthouses, motels, short-term accommodation services.

* The company is currently inactive.

3.2.2. Nosco – Shipyard Joint Stock Company

Establishment license: No. 5701302368, first registered on August 13, 2009, 16th change registered on March 13, 2024.

Head office address: Village 4, Tien Phong commune, Quang Yen town, Quang Ninh province.

Registered charter capital: 528,034,830,000 VND (Five hundred twenty eight billion, thirty four million, eight hundred thirty thousand dong)

Legal representative: Mr. Lee Sung Woo, title: General Director

Main business lines: Repair and maintenance of means of transport; Shipbuilding and floating structures; Repair of machinery and equipment; Direct support services for waterway transport; Coastal and ocean freight transport.

4. Financial situation

1. Financial situation (VND)

	2023	2024	% increase decrease
Total asset	513.144.163.592	361.512.113.581	-21,01%
Net revenue	168.220.546.401	166.279.224.658	-54,69%
Profit from business activities	(301.024.320.464)	(312.661.365.447)	121,26%
Other profits	1.873.554.445	23.475.199.630	86,57%
Profit before tax	(299.150.766.019)	(289.186.165.817)	121,00%
Profit after tax	(299.150.766.019)	(289.186.165.817)	121,00%
Payout ratio	0	0	

Major financial indicators:**Solvency ratio**

Indicators	Year 2023	year 2024
1. Solvency ratio		
+ Current ratio:		
Short term Asset/Short term debt)	0,04	0,02
Quick ratio:		
Short term Asset – Inventories/ Short term Debt	0,04	0,02
2. Capital structure Ratio		
Debt/Total assets ratio	1.037%	1.511%
Debt/Owner's Equity ratio	-111%	-107%
3. Operation capability Ratio		
Inventory turnover		
Cost of goods sold/Average inventory	21,74	43,39
Total asset turnover		
Net revenue/ Average Total Assets	0,29	0,38
4. Profitability		
Net revenue Ratio	(177,83)	(173,92)
Profit after tax/ total capital Ratio	6,22	5,67
Profit after tax/ Total assets Ratio	(58,30)	(79,99)
Profit from business activities/ Net revenue Ratio	(1,79)	(1,88)

5. Shareholder structure, change in equity capital**5.1. Share**

Total number of shares by type: 20.056.000 Share

- Common stock: 19.525.932 Share

- Preferred stock: No

- Treasury stock: 530.068 Share

Number of outstanding shares by type: 19.525.932 Share

- Common stock: 19.525.932 Share

- Preferred stock: No

5.2. Shareholder structure

STT	Shareholder structure	Ownership ratio
1	Institutional shareholders	75%
2	Individual shareholders	25%
3	Domestic shareholders	100%
4	Foreign shareholders	0%
5	State shareholder	49%

List of shareholders holding 5% or more as of March 31, 2025

Stt	Name of organization, individual	ID card number/Passport number/Business registration number	Address	Number of shares	Ratio (%) on actual contributed charter capital
1	Vietnam National Shipping Lines	0100104595	No. 1 Dao Duy Anh, Phuong Mai Ward, Dong Da District, Hanoi City	9.827.440	49%
2	Bao Minh Joint Stock Corporation	27GP/KDBH	26 Ton That Dam, District 1, Ho Chi Minh City	2.000.000	9,97%
	Total			11.827.440	58,97%

6. Report on the company's environmental and social impacts

6.1. Comply with environmental protection laws:

a) Number of times fined for non-compliance with environmental laws and regulations.

The company always complies with environmental laws and regulations.

b) Total amount of fines imposed for non-compliance with environmental laws and regulations: No

6.2. Employee related policies

a) Number of employees, average salary for employees.

Average labor force in 2024 is 121 workers; average income is 15,500,000 VND/person/month.

b) Labor policy to ensure the health, safety and welfare of workers.

The company fully implements policies for employees in accordance with the provisions of law, ensures stable employment for employees, improves income, and cares about the material and spiritual life of employees. The company has established a reward and welfare fund to visit and encourage employees in a timely manner when they encounter difficulties in life.

Every year, the Company organizes a preliminary review, a final review, a reward, and a surprise reward to encourage and motivate employees who have contributed to the Company. The reward level depends on the Company's production efficiency and the economic efficiency of the collective and employees.

Regarding labor safety: Labor means and tools are always fully equipped and meet the requirements of safety standards for workers. For jobs with dangerous and toxic factors, workers are equipped with specialized and suitable labor protection equipment to ensure safety.

c. Employee training activities

Every year, the Company supports salaries, apprenticeship training, creates favorable conditions in terms of time and work for officers and employees to participate in in-service classes, short-term courses and training classes on business administration, financial accounting, tax policy, human resource management, investment management, focusing on improving professional working ability

6.3. Report on responsibility to local communities

Community investment activities and other community development activities, including financial support for community service

The company organizes community activities such as mobilizing youth union members to participate in humanitarian blood donation with the Youth Union of Vietnam Maritime Corporation, organizing trips for employees to return to the source on the occasion of the annual anniversary of War Invalids and Martyrs Day on July 27, as well as providing financial support to poor people's funds, Agent Orange funds... to help employees focus on beneficial activities for the community and society...

III. REPORT OF THE BOARD OF DIRECTORS

1. Evaluation of production and business performance

The year 2024 passed with difficulties and negative fluctuations of the world economy, but with the efforts of the Company's Board of Directors and the solidarity of the Company's staff, officers and crew members; with the attention and support of Vietnam National Shipping Lines, relevant ministries

and departments, the Company also achieved modest production and business results, demonstrating the determination of the entire Company

The results of production and business activities in 2024 are shown in the following table.

T T	Item	Unit	Implement ation in 2023	Plan of 2024	Implement ation in 2023	Compar asion Impl 2024/Im pl 2023	Compa rasion Impl 2024/Pl an 2024
1	output						
	Transport output (ton)	Ton	773.405	562.400	1.027.072	132,80%	182,62 %
	Turnover	Ton/Km					
2	Total Revenue	million VND	171.416	179.501	188.711	110,09%	105,13 %
	Fleet Revenue	million VND	162.265	117.851	154.163	95%	130,81 %
	charter revenue	million VND	4.438		1.546	34,83%	
	Other revenue	million VND	4.713		33.002	700,23%	
3	total cost	million VND	470.566	307.995	477.897	101,56%	155,16 %
	fleet costs	million VND	308.105	226.218	275.086	89,28%	121,60 %
4	profit	million VND	-299.151	-128.494	-289.186	96,67%	225,06 %
5	EBITDA	million VND	-78.645		-104.021		

2. Financial situation

2.1. Asset situation

In 2024, the company did not make any additional investments in assets. Given the difficult situation of the economy in general and of international shipping in particular, the collection of receivables has encountered many difficulties. The company has encountered a number of bad debts and has taken measures to set aside provisions to gradually handle these debts.

ASSET	Year 2023	Year 2024
A. CURRENT ASSETS	125.826.423.353	119.744.945.729
I. Cash and cash equivalents	4.935.420.314	7.005.186.365
II. Short-term financial investments	0	0
III. Short-term receivables	106.099.440.034	104.513.471.157
IV. Inventory	9.741.885.845	2.934.885.322
V. Other current assets	5.049.677.160	5.291.402.885
B. LONG-TERM ASSETS	387.317.740.239	241.767.167.852
I. Long-term receivables	0	0
II. Fixed assets	352.513.986.270	217.355.321.024
1. Tangible fixed assets	351.993.307.359	212.416.374.178
2. Intangible fixed assets	521.678.911	506.215.611
III. Long-term unfinished assets	4.432.731.235	4.432.731.235
IV. Long-term financial investment	0	0
V. Other long-term assets	30.371.022.734	24.411.846.828
TOTAL ASSETS	513.144.163.592	361.512.113.581

2.2. Debt situation of credit institutions

The Company's debt situation in 2023 - 2024

Đơn vị tính: Đồng		
Target	Year 2023	Year 2024
A. NỢ PHẢI TRẢ/ LIABILITIES PAYABLE		
I. Short-term debt	3.079.191.844.762	5.459.597.468.198
1. Short-term payables to suppliers	180.273.097.219	170.384.752.645
2. Buyer pays in advance	15.568.052.191	15.394.857.975
3. Taxes and other payments to the state	846.197.434	743.352.323
4. Payable to workers	28.511.059.615	27.275.520.958
5. Cost to Pay	2.022.869.044.509	2.121.264.120.984
6. Unearned Revenue	23.727.246.180	10.734.555.555
7. Other short-term payables	19.470.349.043	18.898.531.003
8. Short-term loans and finance leases	784.989.344.203	3.092.590.782.387
9. Bonus and welfare fund	2.937.454.368	2.310.994.368
II. Long-term debt	2.244.314.096.591	1.462.588.961

1. Long-term trade payables	389.366.759	427.832.058
2. Long-term loans and financial leases	2.243.924.729.832	1.034.756.903
TOTAL	5.323.505.941.353	361.512.113.581

Accounts Payable Status

The company's liabilities during the year did not decrease because the revenue from exploitation was only enough to cover a part of the direct costs of operating the ship without arranging to pay off the loans. In addition, the debt payable to suppliers increased. Currently, the company has been and continues to work with credit institutions to apply debt restructuring mechanisms and reduce interest rates for ship investment projects.

3. Improvements in organizational structure, policy, management

In 2024, despite many difficulties, with the efforts of the Board of Directors, the Board of General Directors, together with the staff, officers and crew members, the company's fleet still ensures regular operations. Although business performance is at a loss, it still ensures the lives of workers and fulfills obligations to the State.

Improvements in organizational structure, policy, management

Advances in organizational structure, policies, and management: Streamlined and direct management and leadership apparatus. Under the Board of Directors, there are departments with specific functions and tasks under the close supervision and management of department heads. The company's policies are guaranteed to comply with current laws of the Vietnamese government, and personnel policies to promote the company's operations. The policy of paying employees according to their work capacity and good treatment has helped the company recruit truly capable employees who are dedicated to working for the company.

Control measures: The Company has a Board of Supervisors consisting of members who supervise the financial activities as well as the management of the Company.

The work of information disclosure as applied to public companies is strictly implemented by the Company's Board of Directors and ensures compliance with legal regulations.

4. Future development plans

With the main orientation of multi-industry, maritime transport is the key, the company strives to exploit the existing fleet well. Continue to consolidate and expand the market, goods sources and other services to increase revenue, business efficiency, stabilize and develop the workforce.

a. Human resource development

Organize training and development of professional human resources with high qualifications in professional expertise, foreign languages and expanding knowledge in other related fields to meet the development goals and requirements of the Company by 2026 and the following years.

Focused investment in training of crew officers, professional managers, and skilled personnel. Annually, the organization selects competent, qualified, and politically minded cadres to send for specialized training in domestic and foreign fields.

Continue to improve the salary and income regime of officers and employees in the direction of promoting capacity, intelligence, experience and work efficiency, have a satisfactory treatment policy for highly qualified and high-performing employees to create long-term attachment to the company, encourage employees to make more efforts in studying and improving professional qualifications.

Implement policies on rotation, appointment and development of a team of successor managers and professional staff.

b. Assessment related to labor issues:

Employees at Phuong Dong Shipping and Trading Joint Stock Company are guaranteed an income level that is consistent with the general level of society, are fully equipped with modern working equipment, and are fully insured. Every year, the Company still sets aside a welfare reward fund, promptly rewarding individuals and groups with outstanding achievements in their work.

c. Assessment related to corporate responsibility towards local communities

Over the past year, the Company has fulfilled its responsibilities to the local community by participating in propaganda activities to raise people's awareness of environmental protection, supporting the homeland's sea and islands, etc.

IV. BOARD OF DIRECTORS' ASSESSMENT OF THE COMPANY'S PERFORMANCE

In order to analyze and evaluate the results achieved in production and business management in 2024, and at the same time innovate and enhance the effectiveness of management in the coming time. The Board of Directors has the following assessments on the activities of the Company and the Board of Directors:

2024 is a year full of difficulties and challenges, with many fluctuations in the domestic and world economy due to war and geopolitics, but the Board of Directors and all employees of Phuong Dong Shipping and Trading Joint Stock Company have tried to implement the set plans. However, although the business and financial indicators did not grow much, they still maintained a stable level compared to previous years.

In 2024, despite many difficulties and challenges, all officers and employees of the Company have made efforts to successfully complete the economic and political tasks assigned by the 2024 Annual General Meeting of Shareholders. Economic and financial targets have all met and exceeded the set plan

(Total Revenue: 188,077 million VND, reaching 105% of the plan); employees' income is guaranteed to be stable.

The Board of Directors and the Management Board have always been proactive in signing contracts for the exploitation of ships and cargo transportation services. Therefore, the production and business management has always been proactive, creating conditions to expand the customer network, create jobs, and increase income for workers.

Pursuant to the Company's Charter of Organization and Operation and the issued regulations and rules, the Board of Directors authorizes the Board of Directors to decide on all matters related to production and business activities and establishes a mechanism to inspect and supervise the Board of Directors through a system of summary and detailed reports and extraordinary meetings of the Board of Directors. In 2024, the Board of Directors assessed that the Board of Directors had fully and correctly implemented the instructions set forth by the Board of Directors. By combining the above measures, at the end of 2024, the Company encountered many difficulties but still maintained a stable level of production and business.

The above business results were achieved because each member of the Board of Directors promoted a sense of responsibility for their work, in management and operation, always ensuring the principle of democratic centralism, discussing and deciding on public work, fully complying with the provisions of the Law. Through the above analysis and assessment, the Board of Directors of Phuong Dong Shipping and Trading Joint Stock Company found that it had properly and fully implemented the provisions of the law and completed its tasks assigned by the General Meeting of Shareholders.

Board of Directors' assessment of the performance of the company's Board of Directors

a. Things done

Strictly complied with and implemented the provisions of law, the Company Charter, Resolutions of the General Meeting of Shareholders, Resolutions of the Board of Directors.

Always demonstrate high responsibility, regularly follow up on work, closely direct, promptly, specifically and decisively; promptly resolve difficulties and problems in production and business activities.

Actively implemented the Resolutions and decisions of the Board of Directors in accordance with the approved development policies and orientations.

Proactively propose solutions suitable for each stage and specific conditions. Promote all potential and strength of employees to complete the company's production and business tasks.

b. Limitations to be overcome

The Company's Board of Directors needs to continue to improve training and build a team of management staff. With the above-mentioned business and production results in 2024, the Board of

Directors assesses that the Executive Board, under the direction of the General Director, has completed the tasks assigned by the Board of Directors in 2024.

Plans and directions of the Board of Directors

With the advantages and difficulties of the shipping industry, in 2025, the Board of Directors will be determined to direct the completion of the 2025 production and business plan as follows:

- Develop feasible production and business plans and set revenue targets for each month, quarter, 6 months and year, and propose optimal and flexible measures to implement the Plan.
- Recruiting and perfecting a team of high-quality crew officers to ensure effective fleet operation

Organizational innovation, strengthening and improving the effectiveness of the Company's apparatus

- Continue to innovate and rearrange functional departments, at the same time perfect and stabilize the organizational structure towards streamlining, clearly assigning tasks, reducing focal points to create conditions to maximize the capacity of staff.

- Organize training courses, raise awareness of management staff about administrative procedures, organize a system of file circulation, update and transfer information within the operating system to ensure accurate and timely handling of production situations and proper compliance with directives and orders of leaders.

Promote research and application of new technical measures and new technologies.

- Research, deploy and perfect the application of new technologies
- Widely apply information technology in management and operation of production and business to meet development needs.
- Build internal network for each department (LAN); apply unified management software.

V. CORPORATE GOVERNANCE

1. Board of Directors

1.1. Members and structure of the Board of Directors

STT	Full name	Title	Personal share ownership ratio	Representative of State capital ownership	Date of dismissal/appointment
1	Mr. Dao Trong Su	Chairman– Non-executive member	0%	16%	Appointed date 26/4/2022
2	Mr. Nguyen Van Hoai	executive member	0%	0%	Appointed date 26/4/2022

3	Mr. Pham Van Tuong	executive member	0,001%	11%	Appointed date 28/5/2019
4	Mr. Do Tuan Nam	Non-executive member	0%	11%	Appointed date 25/5/2016
5	Ms. Nguyen Thi Thu Hoai	Non-executive member	0%	11%	Appointed date 27/4/2021

1.2. Board of Directors Activities

The Board of Directors has performed well in supervising and supporting the Executive Board and other managers in implementing the resolutions of the General Meeting of Shareholders. The Board of Directors of the Company meets once a quarter to evaluate the operation and management of the Board of Directors and propose policies, issue resolutions, and assign the Board of Directors to organize and implement.

In addition, in 2024, the members of the Board of Directors actively coordinated and supported the Board of Management in the management of production and business activities. The Board of Directors held 01 Annual General Meeting of Shareholders in 2024 and issued 01 Resolution of the General Meeting of Shareholders with the contents that were highly agreed upon and approved at the Annual General Meeting of Shareholders. The Board of Directors held 10 regular and extraordinary meetings closely following the actual situation of the company, proposing policies, resolutions and decisions to promptly direct and create favorable conditions for the Company's Executive Board to complete its production and business tasks. The resolutions and decisions issued by the Board of Directors are all based on the consensus and approval of the members of the Board of Directors and are in accordance with the company's charter.

1.3. List of Board members with corporate governance training certificates

- Mr. Dao Trong Su - Chairman of the Board of Directors

2. Board of Supervisors

STT	Full name	Title	Personal share ownership ratio	Date of dismissal/appointment
1	Ms. Nguyen Thi Minh Thu	Prefect	0%	Appointed date 26/4/2022

2	Mr. Dong Xuan Khanh	member	0,001%	Dismissal date 15/4/2024
3	Ms. Le Thi Thuy	member	0,001%	Appointed date 25/5/2016
4	Mr. Chu The Nga	member	0%	Appointed date 15/4/2024

Activities of the Board of Supervisors: In 2024, the Board of Supervisors performed well its functions such as: supervising the Board of Directors, the Board of Management, supervising the management and operation of the Company; Checking the reasonableness, legality, honesty and level of prudence in the management and operation of production and business activities, in accounting and statistics; Appraising quarterly, six-month and annual financial reports; Report on the assessment of the management work of the Board of Directors.

1. Alary, Bonus, remuneration and benefits of the Board of Directors, Board of Directors and Board of Supervisors

	Họ và tên	Chức vụ	Thu nhập (đồng)
I	Board of Directors - (non-professional)		
1	Mr. Dao Trong Su	Chairman	48.000.000
2	Mr. Do Tuan Nam	Board Member	24.000.000
3	Ms. Nguyen Thi Thu Hoai	Board Member	24.000.000
II	Board of Directors		
1	Mr. Pham Van Tuong	Board Member, General Director	366.887.909
2	Mr. Nguyen Van Hoai	Member of Board of Directors, Deputy General Director	274.509.659
	Mr. Tran Thanh Ha	Deputy General Manager	224.999.659
	Mr. Le The Viet	Deputy General Manager	274.509.659
III	Board of Supervisors (non-professional)		
1	Ms. Nguyen Thi Minh Thu	Head of Supervisory Board	18.000.000
2	Mr. Dong Xuan Khanh	member	4.000.000
3	Ms. Le Thi Thuy	member	12.000.000

4	Mr. Chu The Nga	member	8.000.000
---	-----------------	--------	-----------

Source: Audited Financial Statements for 2024 and Resolution of the 2023 Annual General Meeting of Shareholders. The remuneration of the Board of Directors and the Supervisory Board is approved by the 2023 Annual General Meeting of Shareholders.

I. FINANCIAL REPORT

Audit opinion

Basis for Disclaimer of Opinion

At the time of issuing the audit report on the Financial Statements based on the results for the fiscal year ended 31/12/2024, we have not received confirmation letters of the balances of the following debts: Loans and financial leases with the respective values at 31/12/2024 being VND 749,185,875,924 and at 01/01/2024 being VND 3,028,914,074,035; Interest payable at 31/12/2024 being VND 2,069,345,697,674 and at 01/01/2024 being VND 1,995,233,541,594. Alternative audit procedures do not provide us with a basis to evaluate the existence, completeness and accuracy of the above liabilities and the impact on other indicators in the accompanying financial statements.

At the time of issuing the audit report on the Financial Statements for the fiscal year ending December 31, 2024, we have not received the confirmation letter of the investment as of December 31, 2024 and the 2024 Financial Statements as well as the 2023 Financial Statements of the investment in the associates, Nosco Shipyard Joint Stock Company and Bac Bien Trading and Transport Joint Stock Company with investments of VND 112.3 billion and VND 6 billion, respectively. The Company has made a provision for 100% of these investments. Alternative audit procedures do not provide us with a basis to assess the existence, completeness and value of the above investments, nor do we assess whether the provision for 100% of the investment value is appropriate. The investment in Nosco Quang Ninh Waterway Transport and Trading Joint Stock Company with the amount of VND 7,650,000,000 has been 100% provisioned by the Company and is being transferred to other receivable accounts by the Company because Nosco Quang Ninh Waterway Transport and Trading Joint Stock Company has closed its tax code, stopped operating and cannot contact the members of the Board of Directors.

Basis for Disclaimer of Opinion (continued)

As explained in Note 2.4, in 2024, the Company incurred a loss of VND 289,186 billion. As of December 31, 2024, the Company's accumulated loss was approximately VND 5,358,551 billion, negative equity of more than VND 5,099,548 billion, and overdue loans and financial leases. These factors indicate the existence of uncertainties affecting the Company's ability to continue as a going concern. At the date of this Report, we do not have sufficient basis to express an opinion on whether the Company's going concern assumption has been appropriately established.

2. Audited financial statements include:

The Company's audited annual financial statements for 2024 include: Balance sheet; Business performance report; Cash flow statement; Notes to the financial statements in accordance with the law on accounting and auditing, audited by UHY Auditing and Consulting LLC. The full text of the 2024 audited financial statements is posted on the Company's website at: www.ostc.com.vn

Recipients: 

- As above

- Archived:
Board of Directors

CONFIRMATION BY THE COMPANY'S LEGAL REPRESENTATIVE

(Signature, full name and seal)




Mr. Pham Van Tuong