PACIFIC PETROLEUM TRANSPORT JOINT STOCK COMPANY

SOCIALIST REPUBLIC OF VIETNAM
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DRAFT

REPORT ON THE BUSINESS PERFORMANCE RESULTS IN 2024 AND BUSINESS PLAN FOR 2025

To: The General Meeting of Shareholders

The C.E.O of Pacific Petroleum Transportation Joint Stock Company (hereinafter referred to as "Pacific" or "Company") respectfully submits to the Annual General Meeting of Shareholders the report on the Company's business performance results in 2024 and the business plan for 2025 as follows:

I. BUSINESS PERFORMANCE RESULTS IN 2024

1. Global Geopolitical-Economic Landscape and Shipping Market Situations in 2024

In 2024, global economic growth reached 3.2%, slightly higher than the 3.1% in 2023. In such growth flow, emerging Asian economies showed robust momentum while developed countries continued to grapple with tightening monetary policies and prolonged inflationary pressures which decelerated their growth pace. At the same time, the global energy transition has gained significant traction, paving the way for the rise of cleaner alternative fuels. These mentioned factors have directly impacted global oil demand, as heavy industries, transportation and consumption sectors increasingly pivot towards environmentally sustainable energy solutions.

In the first half of 2024, both the global oil and maritime transportation markets were adversely affected by geopolitical instabilities including the Russia–Ukraine conflict and rising tensions among Israel and Islamist groups. Accordingly, direct assaults on oil refineries and attacks on vessels in the Red Sea by Houthi rebels, coupled with production cuts from OPEC+ maintaining since early 2024, dramatically drove up oil prices. Concretely, Brent crude oil prices peaked at USD 93/barrel in April 2024, while WTI reached USD 86.91/barrel, followed by a soaring in bunker fuel prices in Singapore at the mid-year such as the high price of USD 655/MT for VLSFO and USD 820/MT for MGO.

Nevertheless, the increase in production from non-OPEC+ countries such as the U.S., Guyana, and Canada partly compensated for OPEC+ supply cuts. With global oil demand showing no significant recovery and rising requirements for sustainability in energy security matter, crude oil and refined product prices trended downward in the second half of the year. By Q4 2024, Brent crude oil prices averaged at USD 75/barrel, while VLSFO and MGO ranged from USD 570–590/MT and USD 650–680/MT, respectively.

In the maritime transportation market, 2024 experienced significant volatility since freight rates generally trended upward in the first half of year before moderating towards year-end. For instance, one-year time charter rates in Q4 2024 declined by 15% year-over-year, 18% compared to January 2024 for Aframax tankers, and 14–20% for the MR segment. Nonetheless, the crude oil and product tanker markets remained broadly favorable throughout the year as average Time Charter Equivalent (TCE) earnings from January to October 2024 kept above USD 37,000/day, 26% higher than the 10-year average.

For domestic shipping market, from mid-March to early May 2024, the Dung Quat Refinery underwent its fifth scheduled turnaround (TA5) with operation level at 99–100% of design capacity, and then in post-maintenance, the level ramping up to 108–111% to ensure market supply continuity. In response, Pacific effectively deployed the PVT Hera and PVT Mercury, complemented by two chartered voyages, performing a total of 61 shipments for domestically transporting over 5.2 million tonnes of crude oil, fulfilling nearly 70% of the refinery's demand with absolute safety and zero interruption, incident or dispute.

2. Business Performance Overview in 2024

2.1. Key Business Performance Indicators in 2024

Thanks to the leadership's efforts and the commitment of the entire employees, Pacific proactively and flexibly carried out various solutions to both capitalize on market opportunities and navigate challenges. As a result, the Company maintained stable, safe, and efficient operations, ultimately surpassing its 2024 business targets, specified as below:

Unit: Million VND

No.	Indicator	2024 Plan	2024 Actual results	% Achievement
1	Total Revenue	1,700,000	1,852,609	109%
2	Total Expenditures	1,480,000	1,584,371	103%
3	Profit Before Tax	220,000	268,238	122%
4	Profit After Tax	176,000	207,100	118%
5	State Budget Contributions	56,400	89,131	158%

2.2. Performance by Business Segments

a. Crude Oil Transportation

In term of international crude oil transportation, Pacific operated the MT Apollo under time charter (TC) contracts at favorable freight rates. Fortunately, after terminating the previous contract, even during the market downturn in late 2024, the Company still secured a new high-rate TC contract with a major client. Besides, leveraging the idle period between contracts, the Apollo was efficiently managed to undergo its 4th intermediate survey docking (IS4) at Dung Quat Shipyard and completed IS4 ahead of schedule with execution expenditures under budget. This optimized performance in the international crude oil transportation segment, significantly contributing to Pacific's revenue and profits in 2024.

Domestically, Pacific collaborated closely with BSR to flexibly allocate two PVTrans-owned crude oil tankers — PVT Mercury and PVT Hera — supplemented with two spot chartered voyages for regular crude oil transportation from domestic oil fields to Dung Quat Refinery. These operations were made to optimize efficiency, ensure no incidents occurred, full safety for both vessels and offshore fields as well as meeting BSR's crude oil supply requirements. In tandem, Pacific also upheld quality standards in managing and operating PVTrans's tankers, fully meeting contractual obligations for the 2025–2026 period.

b. Refined Product Transportation

By the end of 2024, Pacific owned and operated two product tankers named Pacific Era and Pacific Pride. First, Pacific Era was purchased in 2023 and was deployed in the international market under a time charter. Second, Pacific Pride, acquired in October 2024, was placed into the Hafnia Pool, operating in the transatlantic (Europe–America) market, where stringent safety and technical standards are enforced.

On the other hand, the Company continued to enhance crew competency and improve ship management systems compliance with international standards, aiming to boost competitiveness, strengthen service quality and build a strong reputation among leading charterers and Oil Majors.

c. Floating Storage and Offloading (FSO) Services

Pacific carried on operating the FSO PVN Dai Hung Queen to provide floating storage services for PVEP at the Dai Hung oil field. In 2024, the Company worked with relevant entities to manage and maintain the vessel in excellent technical condition, achieving 100% uptime, which substantially contributed to the Company's overall business efficiency.

d. Other Transportation Services

In 2024, Pacific successfully executed 11 VLCC shipments from Kuwait to Vietnam for the Nghi Son Refinery and Petrochemical (NSRP) complex. Furthermore, the Company always actively closely monitored customer's needs to maintain service provision as well as prepare resources and plans to participate in long-term crude oil transportation contracts (COA) for NSRP via VLCC tanker when opportunities arise.

2.3. Investment Performance in 2024

From early 2024, Pacific proactively prepared the necessary investment procedures for upcoming projects. However, fluctuations in freight rate and rapid rising in vessel prices outpacing the growth in freight rates made the sale and purchase (SnP) market for Aframax and MR tankers bring a wide range of disadvantages for buyers due to limited supply. As a result, sourcing vessels that meet the Company's technical and financial requirements proved challenging.

Despite these obstacles, Pacific successfully capitalized on market opportunities by acquiring one MR oil/chemical tanker — *Pacific Pride* — in October 2024, with a total investment of USD 27.6 million.

The table below describes the details of Investment Projects as plan and actual execution in 2024:

Unit: million USD

No.	Project Name	Investment Plan in 2024			Actual performance in 2024			Notes
		Total Investment	In which		Total Investment	In which		
			Equity	Debt + Others		Equity	Debt + Others	
1	**Ongoing Projects with Adding Vessel Type**	**56.00**	**17.04**	**38.96**	**27.61**	**8.43**	**19.18**	
	Investing 02 MR tankers (approx. 45,000-55,000 DWT)	56.00	17.04	38.96	27.61	8.43	19.18	**Invested 01 MR tanker – Pacific Pride in Oct 2024**
2	**New Investment Projects in 2024**	**56.00**	**16.92**	**39.08**				
	Investing 01 Aframax tanker (approx. 80,000-120,000 DWT)	56.00	16.92	39.08				
	Or Investing 02 MR tankers (approx. 45,000-55,000 DWT)							
3	**Total Investment (1 + 2)**	**112.00**	**33.96**	**78.04**	**27.61**	**8.43**	**19.18**	

2.4. Corporate Restructuring

For Organizational Restructure: In 2024, Pacific completed restructuring the internal organization with sufficiently functional departments of a shipping enterprise in place and fully self-reliance in technical management, safety, and crew operations — laying the foundation for enhancing future service quality and reinforcing its reputation among customers and partners.

For Financial Management Restructure: Pacific applied accelerated depreciation for MT Apollo and reduced the depreciation period for the FSO to 14 years (from 15 years), which helped Pacific to seize the favorable market period to recoup capital for reinvesting and proactively mitigating future risks as market pivoting down trend.

Notably, after a period of listing on the HOSE from January 17, 2023, the stock code *PVP* was honorably included in the MSCI Frontier Market Small Cap Index through the November 2024 review. This milestone is considered as an advantage for Pacific to enhance attraction for capital inflows from foreign investors and institutional funds, further supporting Pacific’s fleet expansion strategy. It also opens up opportunities to access strategic shareholders with strong financial capacity and maritime experience and competency especially in potential segments related to future sustainable development such as LNG/LPG shipping.

2.5. Human Resources, Training, and Governance Competency Development

By the end of 2024, work force of Pacific had been accomplished relatively adequate including offshore-office based and seafaring positions on vessels such as the MT Apollo, MT Pacific Era, and MT Pacific Pride. All office-employees had received formal training; over 59% of staff held university or postgraduate degrees, primarily in maritime and economics-related fields. Furthermore, 64% of employees were under the age of 40 with well-trained, professionally competent and experienced in their respective areas of expertise. For seafarers, the Company directly recruited, contracted, managed and comprehensively trained the crew in order to strengthen skills to ensure vessel operations meet stringent client requirements and port authority regulations in loading/unloading regions.

In 2024, Pacific implemented internal training programs for all staffs and assigned relevant staffs to participate in external professional training courses and workshops to enhance labor competency and keep knowledge up-to-date.

Additionally, the Company focused on advancing core management practices in terms of Technical management; Crew management; Fuel consumption monitoring for PVTrans' crude oil tanker fleet; Financial and customer receivables management. Simultaneously, the Company also emphasized digital transformation to increase governance and management efficiency by deploying a synchronized and data-driven approach in operation and business activities.

2.6. Association Activities and Social Welfare

In 2024, Pacific organized a variety of events for employees and their families, including:

- Team-building trips to Da Nang,
- Birthday ceremonies,
- Gifts for children on International Children's Day and Mid-Autumn Festival,
- Year-end party.

The Company also encouraged staffs to take part in cultural, artistic, and sporting events, as well as internal competitions to boost morale.

On the other hand, Pacific remained active in corporate-social responsibility (CSR), supporting initiatives such as:

- Voluntary blood donation,
- Funding school construction (Thanh Linh Secondary School in Nghe An and Vinh Lap Secondary School in Hai Duong),
- Sponsoring an elevator installation for the HCMC Center for Rehabilitation and Assistance for Disabled Children,
- Donating gifts to orphaned children and elderly at the Quang Nam Social Protection Centre,
- Contributing to relief funds for victims of Typhoon No. 3 (Yagi) and other group-wide CSR activities.

3. Achievements in 2024

In spite of certain challenges, 2024 was overall considered as a favorable year for the maritime transportation, especially for oil and gas transportation sector. With not only deep-rooted experience of operating in crude oil shipping industry and broaden relationships with Oil Majors, but also executing as a cohesive unit with proactive management and flexible governance, Pacific achieved remarkable results as following:

- Exceeding all business targets:
  + Revenue achieved 105% of the target 20 days ahead of schedule.
  + Profit reached 122% of the target 3 months in advance.
  + State budget contributions hit 156% of the planned amount.
- Successful acquisition of the MT Pacific Pride in October 2024 and immediate deploying the vessel for international charter operations.
- 100% tankers in fleet (including all commercially managed, chartered and/or owned vessels) operate safely and continuously with no technical failures or commercial off-hire days.

– Full autonomy in technical, safety and crew management with sufficient procedure systems for vessel operation and management which meet all Oil Major’s requirements. Notably, TMSA Level 2.0 was certified by ENOC in October 2024.

– Efficient dry-docking of MT Apollo, with completed expenses below budget without disruption to operations.

– Maintaining a 100% share in domestic crude oil transportation for BSR; Well coordinating with PVTrans and technical entities to ensure full compliance with BSR's requirements.

– Increasing charter capital from VND 942 billion to VND 1,037 billion, complying with legal and regulatory frameworks, to support upcoming investment projects.

– Accelerating digital transformation for unified, database-driven management. Utilization of cutting-edge application systems such as Electronic office systems and document management (iDoc), Online accounting and financial management software (Fast Business Online), Enterprise resource planning (ERP), Safety and Marine Management System (SMMS) partly boosts business performance in terms of operational and managerial effectiveness and reducing administrative paperwork/reports.

– Streamlined organizational restructure by fully staffed with all departments of a shipping enterprise, and systematically recruited or appointed staff to meet operational demands.

– In 2024, Pacific's stock was included in the MSCI Frontier Market Small Cap Index (November 2024).

– Making it into the Vietnam’s Top 500 most profitable companies for the 7th consecutive year in.

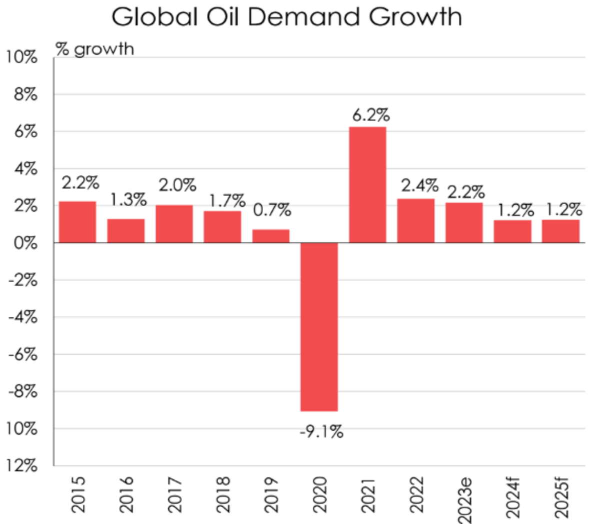
– The 6th time in the Top 10 most reputable logistics and freight transport companies,

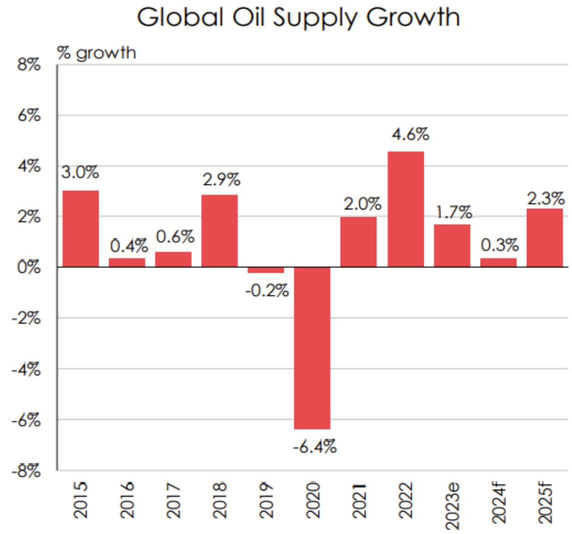
– To be awarded as the “Best Corporate Governance 2024” from the parent corporation - PVTrans.

II. STRATEGIC DIRECTIONS AND BUSINESS PLAN FOR 2025

1. Market Conditions and Demand Forecast for 2025

In 2025, a positive outlook for global economic growth is expected to drive oil demand up by approximately 1.2%, reaching 104.3 million barrels per day. However, according to OPEC and the IEA’s decisions, long-term oil demand growth will be constrained due to the transition towards renewable energy sources and a plateauing demand trend in major consumers such as China. Meanwhile, with the recovery of OPEC+ production, oil supply is forecasted to increase by 2.3%, reaching 104.6 million barrels per day. The IEA projects that OPEC could generate a surplus of 1.05 million barrels per day in 2025, and if production cuts are not implemented from the beginning of 2025, the OPEC+ surplus could reach up to 2.07 million barrels per day. Additionally, increased output from non-OPEC producers such as Guyana, Brazil, and Norway may further augment the volume of oil available for transportation.





Source: Global Oil Demand – Clarkson Report

The outlook of the oil shipping market in 2025 remains complicated with significant differentiation across vessel segments. First, in the crude oil tanker sector, despite challenges stemming from economic and geopolitical factors, the market is expected to maintain a positive trajectory in 2025. Demand for crude oil tankers is anticipated to be strong with global seaborne crude oil volumes projected to increase by approximately 2.1%. This growth is supported by rising exports from Kazakhstan and additional output from OPEC+ (since production cuts continue to be lifted by the end of 2025), which will boost market sentiment.

Nevertheless, various volatile scenarios must be considered. Notably, oil demand in China — accounting for roughly 40% of global consumption growth — is illustrating signs of weakening, placing proper pressure on the crude oil tanker market. However, robust growth in trans-Atlantic to Asia trade flows is supposed to play a critical compensatory role. Specifically, total crude oil exports by sea from the U.S., Brazil, and Guyana to Asia are forecasted to rise by 78% in 2025 compared to 2019 levels. Concurrently, short-term fleet supply is believed to come to constraints as commercial fleet growth is only 1.2%, compared to a 2.4% increase in transportation demand, continuing to provide positive support for the global crude oil tanker market.

Second, in the product tanker segment, the market is anticipated to undergo a downward adjustment phase following a prolonged period of stable and high earnings. This is primarily due to declining global oil demand, directly impacting volumes requiring to transport, and refinery shutdowns in Russia disrupting refined product supply and product tanker demand. Nonetheless, it still exists a key supportive factor for the market going forward — the rerouting of shipping lanes around the Red Sea. Amid ongoing regional conflicts, this rerouting is projected to increase trade volume by about 5% in ton-nautical miles, thereby enhancing vessel utilization. Meanwhile, fleet capacity is expected to grow by 5.6%, whereas product tanker demand (measured in deadweight tonnage) is forecasted to rise only by 2.9%, creating a supply-demand imbalance where capacity outpaces demand, leading to oversupply and downward pressure on freight rates in the near term.

Regarding the domestic market, in 2025, the Dung Quat Refinery is predicted to operate at 105-108% of its design capacity (with a target capacity of 112-116%). Accordingly, if BSR can procure a maximum volume of domestic crude oil (approximately 40-42 million barrels), domestic crude oil volume will account for about 70-75% of total feedstock while imported crude oil will equivalently comprise the remain. Consequently, the number of crude oil shipments for domestic delivery to the refinery conducted by Pacific's fleet will increase compared to 2024 (when the refinery underwent turnaround TA4), estimated at approximately 71 voyages.

2. Business Targets for 2025

Based on forecasting reports and assessments of domestic and international market conditions, Pacific has developed the business plan for 2025 with the following key targets:

Unit: Million VND

No.	Indicator	Plan in 2025
1	Total Revenue	1,850,000
2	Total Expenditures	1,605,000
3	Profit Before Tax	245,000
4	Profit After Tax	196,000
5	State Budget Contributions	61,400

3. Vessel Investment Plan for 2025

In 2025, Pacific will focus on market analysis and assessment to not only properly timing, maintain flexibility and proactivity in investment decisions but also identify prioritized vessel segments. This strategy also takes preparation of investment procedures and capital readiness into account, aiming to complete the planned investment portfolio as follows:

Unit: Million USD

No.	Project Name	Investment Plan in 2025		
		Total Investment	In which	
			Equity	Debt + Others
1	**Ongoing Project**	**28.00**	**8.52**	**19.48**
1.1	Investing 01 MR tanker (approx. 45,000-55,000 DWT)	28.00	8.52	19.48

No.	Project Name	Investment Plan in 2025		
		Total Investment	In which	
			Equity	Debt + Others
2	**Ongoing Projects with Adjustments in Total investment value and Vessel type**	**84.00**	**25.44**	**58.56**
2.1	Investing 01 Aframax tanker No.2 (approx. 80,000-120,000 DWT)	56.00	16.92	39.08
	Investing 01 MR tanker (approx. 45,000-55,000 DWT)	28.00	8.52	19.48
2.2	Or Alternatively, investment in 01 LR2 tanker or 01 VLGC (approx. 60,000–84,000 CBM) with total investment not exceeding USD 84 million			
3	**Total Investment (1 + 2)**	**112.00**	**33.96**	**78.04**

4. Key Missions

4.1. Business Operations

– Aligning closely with BSR's plans to deliver crude oil transportation services for Dung Quat Refinery in 2025 and beyond; Ensuring safe, timely, and efficient transportation of all shipments from domestic crude oil fields to BSR.

– Safely and efficiently managing and operating Pacific's fleet in the combination of conquering international market and integrating domestic crude oil transportation for Dung Quat Refinery (when vessel schedules permit), which ultimately optimizes Pacific's business efficiency and shareholder interests.

– Engaging in contract negotiations with PVEP for the 2025–2036 period and managing safe operations of the PVN Dai Hung Queen FSO serving Dai Hung Field.

– Collaborating with NSRP and capable partners/ship owners to participate in long-term crude oil transportation contracts for NSRP via VLCC when opportunities arise.

4.2. Corporate Restructuring and Innovation

– In 2025, Pacific plans to accelerate depreciation of the Pacific Era vessel (shortening from 8 to 7 years) to capitalize on favorable market period so as to optimize cash flow to prepare resources for reinvestment plans, and enhance resilience against potential market risks.

– Continuing restructuring departmental systems by refining management structures and expanding professional, efficient staffing in functional units.

– Emphasizing talent development through targeted training and skills enhancement.

4.3. Investment

– Maintaining close monitoring of shipping and SnP markets, proactively updating and implementing investment plans for crude oil tankers/product tankers/chemical carriers/ liquefied gas vessels as scheduled.

4.4. Other Tasks

– Continuing to refine company procedures and regulations to meet governance and ESG standards; Upgrading vessel management systems to meet international standards and customer requirements.

– Completing and implementing corporate culture aligned with the company actual conditions and industry-specific values in compliance with relevant directives and regulations; Actively participating in social welfare activities.

– Ensuring stable employment and enhancing physical and mental wellbeing for the whole employees.

– Monitoring energy transition trends to inform short-, medium-, and long-term development plans, together with progressively building and implementing the company’s sustainable development reporting framework.

5. Solutions to Execute the 2025 Plan

5.1. Business and Market Solutions

– Fostering relationships with domestic customers such as BSR and PV Oil to safely and efficiently arrange vessel operating for Dung Quat Refinery; Participating in providing imported crude oil transportation services to BSR and exported crude oil shipments from Vietnam.

– Strengthening networks with brokers, cargo owners, Oil Majors, and reputable ship owners in the international market to sustain and expand chartering and ship leasing services.

– Coordinating closely with NSRP on long-term imported crude oil transportation service agreements (COA) when customer’s demand arises.

– Monitoring the market to implement appropriate investment plans and proactively preparing safe and efficient fleet operation plans.

– Maintaining strong ties with both major/new and traditional customers in crude oil/product/chemical/gas tanker and simultaneously developing the connection with new clients to expand the scope of business/operations into new vessel segments.

5.2. Financial and Investment Solutions

– Strictly controlling financial status and financial management to ensure cash flows stable and sufficient for operational and debt liquidity, which minimizes financial and liquidity risks.

– Restructuring financial conditions including reassessing asset depreciation schedules aligned with market and company financial capacity; exploring options to optimize existing loans.

– To enhance competitiveness and diversify the fleet aligned with market demand for oil, chemical, and LNG carriers, Pacific will flexibly consider investments in appropriate vessel sizes and types for optimal returns.

– Following the successful investment of the MR tanker - Pacific Pride, Pacific will not only closely follow the SnP market, but also diversify capital mobilization methods, and proactively engage financial institutions to secure timely loans at reasonable costs in order to optimize cash flows for business operation and be ready for immediate investment execution when opportunities arise.

5.3. Technology Management and Application Solutions

– Improving technical management capabilities to proactively monitor vessel conditions and quality; linking vessel management quality to operational efficiency; ensuring safe and technical standards to be available for domestic and international tanker's demand at any time.

– Applying cutting-edge technology in fleet management and operation systems to increase productivity and efficiency.

– Reviewing and updating all company regulations and policies to ensure compliance with actuality and enhance management/governance effectiveness.

– Upgrading TMSA compliance beyond level 2.0, refining processes to meet maritime industry standards and increasingly stringent customer requirements.

– Putting measures towards sustainable industry development into practice to strengthen risk management, enhancing company reputation and brand image among customers, employees, and the community.

– Increasing adoption of management software to improve operational efficiency, reduce environmental impact and build a modern, sustainable management system.

5.4. Human Resources and Labor Solutions

– Organizing internal and external training courses on maritime shipping knowledge to fortify vessel management capabilities and technical supervision.

– Completing the development and application of remuneration policies implying the correlation between income and personal competency and performance to retain and attract highly qualified, skilled personnel.

– Proactively recruiting, maintaining, and developing a professional, disciplined, and skilled crew with foreign language proficiency to meet stringent requirements of major customers and markets such as the US and Europe.

Respectfully submitted for review and approval by the General Meeting of Shareholders.

DIRECTOR

HOANG DUC CHINH