DONG DO MARINE JOINT STOCK COMPANY	SOCIALIST REPUBLIC OF VIETNAM Independence - Freedom – Happiness
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Số: 47/BC-TGD	*Hanoi, March 17, 2025*

REPORT

On Business, Investment and Development Activities in 2024

and Business Plan for 2025

To: - 2025 Annual General Meeting of Shareholders

Pursuant to the functions, powers and duties prescribed in the current Charter, and authorized by the Board of Directors, the Chief Executive Officer of Dong Do Marine Joint Stock Company respectfully submits the 2025 AGM the report on the Company's business, investment, and development activities in 2024 and the proposed plan for 2025 as follows:

PART I

BUSINESS PERFORMANCE IN 2024

I. General Overview

In 2024, the maritime transport market was heavily affected by armed conflicts in the Red Sea. Freight rates surged sharply at the end of 2023, then gradually declined in Q1/2024. The attack by Houthi forces in Yemen on three ships related to Israel in early May 2024 led to a rebound in freight rates. However, signs of cooling started to appear in July 2024.

By the end of 2024, the Baltic Dry Index (BDI) — a key measure of the dry bulk shipping industry — stood at 994 points, indicating a deceleration or limited growth compared to 2,094 points in the same period in 2023.

The Company's fleet has aged significantly and currently consists of only 5 dry cargo ships, making it challenging to meet COA contract demands which require sufficient vessel numbers to ensure consistent delivery. The Company also lacks strong relationships with COA cargo owners to secure ongoing shipments.

Due to the aging fleet, repair costs remain high, and allocation costs exceed the industry average, resulting in lower operational efficiency compared to previous years.

In 2024, the Company completed the debt restructuring transaction with Indovina Bank and successfully negotiated with involved parties to sell its loan investments in ships financed by Agribank.

II. Performance Against 2024 Business Targets

1. Business Operations

1.1. Shipping Activities

1.1.1. Fleet Operations

Despite difficulties in the maritime transport sector in 2024, and early-year layups (61.4 days for M/V Dong Ho, 27.16 days for M/V Dong Thinh, and 27.3 days for M/V Dong Ba in dry dock), the Executive Board and relevant departments made strong efforts to maintain fleet operations. Specific routes included:

M/V Dong Minh: Stable service on Far East–Northeast/Southeast Asia routes.

M/V Dong An & Dong Thinh: Stable rice shipments from Vietnam to the Philippines.

M/V Dong Phu & Dong Ba: Sugar, fertilizer, and scrap shipments from South Korea to Southeast Asia.

M/V Dong Ho: After 8 years of bareboat charter, was reactivated for domestic service, then transitioned to international service by the end of 2024, achieving freight rates twice as high as domestic rates.

Revenue from vessel operations in 2024 reached VND 215.35 billion (108.7% of the target).

Operating loss: VND 62.19 billion.

Operating cash flow: negative VND 15.71 billion.

1.1.2. Ship Brokerage & Chartering

The Company achieved the planned target for ship brokerage and chartering, with revenue of VND 6.08 billion (101.3% of the plan) and profit of VND 126 million.

1.2. Other Service Activities

1.2.1. Hai Phong Branch

The branch balanced its finances through cost-cutting and restructuring. As per the parent company’s directive, the container truck fleet was fully liquidated by year-end.

Revenue: VND 23.83 billion

Profit: VND 1.26 billion (including VND 2.43 billion from fleet liquidation; operating loss of VND 325 million)

1.2.2. Ho Chi Minh City Branch

Due to office tenant relocation and land handover to the investor, recorded only VND 178 million in revenue and a VND 74 million loss.

1.2.3. Dong Do CMC – Seafarer Leasing

Main client Hai An began directly recruiting key seafarers, reducing crew leasing revenue. Monthly leased crew reduced from ~180 to 18–20 persons.

Revenue: VND 10.99 billion

Loss: VND 113 million

1.2.4. Office Leasing

Revenue: VND 3.19 billion (115.4% of plan)

Profit: VND 2.52 billion

1.3. Financial and Other Income

Total Financial & Other Income: VND 224.76 billion, including:

Debt restructuring income from M/V Dong Ho: VND 199.39 billion

Insurance compensation: VND 2.67 billion

Land compensation (HCMC): VND 22.67 billion

Bank interest and other revenues.

1.4. Company-Wide Summary for 2024

Cargo volume: 1,239,045 tons (109.1% of target)

Total revenue: VND 498.561 billion (127.02% of target)

Profit before tax: VND 17.12 billion

Actual EBITDA: VND 13.75 billion

(Refer to attached tables for details)

2. Investment Activities

In the process of restructuring the Hai Phong Branch, the Company liquidated 12 container tractor trucks, transitioning the Branch entirely to service-based operations starting from early 2025.

Regarding the compensation for land recovery at the Company's branch located at 62 Bis Huynh Thuc Khang, District 1, Ho Chi Minh City: On May 20, 2024, the Company received compensation funds amounting to VND 22.67 billion and handed over the premises to the investor as committed.

Regarding vessel investment loans, in 2024, the Company paid VND 1.4 billion to the Vietnam Development Bank (VDB).

For equity-contributed entities:

The Company instructed its capital representative to coordinate with the Board of Directors of Dong Do CMC to restructure personnel at this entity; at the same time, it began managing crew for 6 vessels owned by Dong Do Marine starting August 1, 2024.

The Company completed divestment from DMDC in October 2024 as planned.

The Company continued to monitor and provide documentation to support the bankruptcy filing of DHP Lines as requested by the Court. However, this process depends on legal procedures and the cooperation of stakeholders (shareholders, clients, creditors...), and thus the Company cannot fully control the timeline.

In 2024, the Company successfully completed the debt restructuring transaction involving the loan for vessel Dong Du (now Dong Ho) at IndovinaBank through DATC, with a total payment of VND 26.2 billion (including a 4% transaction fee of VND 1.046 billion). As a result, the Company was released from the principal and interest liabilities totaling VND 199.387 billion, which DATC had purchased from IndovinaBank.

At the end of October 2024, the Company also finalized the purchase of ship investment loan debts via the Agribank Exchange through DATC. The collateral included four vessels: Dong Thinh, Dong An, Dong Minh, and part of Dong Phu (co-financed by VDB). The loan sale price was VND 160 billion (excluding a 4% transaction fee equivalent to VND 6.4 billion), and the Company made an advance payment of VND 50 billion. Currently, the Company is in the process of liquidating the two vessels Dong Thinh and Dong An to pay off this debt. (According to the plan, the proceeds from liquidating these two vessels will cover the VND 50 billion payment to DATC.) Once full repayment is completed over 36 months, the Company expects to have over VND 300 billion in debt written off.

3- Labor and Income:

3.1. Workforce

As of December 31, 2024, the Company had 225 employees (a decrease of 10 employees compared to December 31, 2023), including:

Head Office: 37 staff

Vessel crew: 165

Ho Chi Minh City Branch: 1

Hai Phong Branch: 22

3.2. Income

The average monthly income per employee was VND 26,399,000, reaching 96.84% of the annual target. Breakdown by unit:

Head Office: VND 17,265,000/person/month

Vessel Crew: VND 31,707,000/person/month

Ho Chi Minh City Branch: VND 9,479,000/person/month

Hai Phong Branch: VND 14,409,000/person/month

3.3. Evaluation of 2024 Income Compared to the Plan

The total payroll budget for 2024 was VND 60,189,350,000 (excluding the 5% reserve salary fund of VND 2,696,568,000) / VND 57,655,625,000 — equivalent to 95.79% of the annual plan. Of which:

Maritime transport division: VND 53,737,828,000 / VND 53,931,370,000 — 99.64% of the plan.

Agency and service division: VND 3,917,798,000 / VND 4,457,980,000 — 87.88% of the plan.

Remuneration for non-executive members of the Board of Directors and Supervisory Board in 2024 was VND 328,681,000.

4- Evaluation of Work Performance

In 2024, the Company developed its business plan based on optimistic market forecasts, with peak expectations set at the end of 2023. However, actual market developments turned out to be completely different from the initial projections. High inflation, economic difficulties, and tightened consumer spending led to a sharp global decline in business and production activities. Cargo supply became scarce, transportation demand dropped significantly across all shipping routes, and freight rates consistently trended downward throughout the year without any recovery period. As a result, the Company's business performance in 2024 did not meet the planned targets.

The Company's fleet consists of 6 vessels, most of which belong to the small vessel segment, which limits cargo options and attracts fewer charterers. Additionally, the fleet is aging (2 vessels are over 25 years old, and another 2 are 30 years old), resulting in significantly lower charter rates compared to younger vessels of similar size. The sole container vessel is a single unit, making it unsuitable for dedicated routes and limiting it to low-rate time charter services.

Due to the advanced age of the vessels, port authorities reported numerous deficiencies during inspections. Across 29 inspections, the Company’s fleet was recorded with 106 deficiencies by Port State Control (PSC), including 4 deficiencies in code 15, 3 in code 16, 94 in code 17, and 5 in code 30 (with 9 inspections recording no deficiencies). Although the Dong Thinh, Dong Phu, and Dong Ba vessels underwent stringent inspections at ports in Japan and South Korea, they were not detained. However, the Dong Ho vessel received 4 code 30 deficiencies due to outdated and poorly maintained safety equipment, leading to an additional code 30 deficiency for ineffective Safety Management System (SMS) maintenance. These issues primarily stemmed from shortcomings in the management system oversight and from the fact that the vessel had been on a bareboat charter for domestic operations for five years, during which investment was limited. Consequently, when the vessel was deployed for international operations, it showed significant deficiencies.

Continuing the policy from 2023, the Company maintained salary reductions for all management positions in 2024:

Chairman of the Board and the CEO received a 10% salary reduction

Deputy General Directors had an 8% salary reduction

Heads and deputy heads of departments received a 5% salary reduction.

Part Two

BUSINESS, INVESTMENT, AND DEVELOPMENT PLAN FOR 2025 AND OTHER RELATED MATTERS

I - General Assessment for 2025

The global economic output is expected to be affected by a slowdown in global growth, increased risk of short-term recession, high inflation, and strategic and geopolitical tensions among major powers, including the ongoing Russia-Ukraine conflict and the situation in the Red Sea. These factors are expected to continue to challenge the shipping industry.

Countries around the world are beginning to implement carbon emission regulations under the MARPOL Convention. Ships that fail to meet these standards will either be decommissioned or will have to incur substantial costs to upgrade their machinery to comply, while freight and charter rates show no signs of recovery.

The growing demands of customers for higher quality and faster delivery due to economic growth have intensified competition for the Company, both from long-standing competitors and new market entrants.

Several risks may arise, including vessels failing to meet the standards set by the International Maritime Organization (IMO), operational incidents, and detentions due to non-compliance with Port State Control (PSC) requirements, which can negatively impact vessel operations.

According to forecasts, dry bulk freight rates in 2025 will remain at average levels due to limited cargo volume. Moreover, the liquidation of two vessels—Dong An and Dong Thinh—will reduce the operating income from the three remaining dry bulk vessels, which is expected to fall below the 2024 average. However, it is anticipated that the Dong Ho container vessel will see a significant improvement in freight rates. As a result, total shipping revenue for 2025 is expected to reach around 96% of the 2024 actual performance.

II- 2025 Business Operation Strategy

The Company will continue to operate a fleet of three medium- to small-sized dry bulk vessels (ranging from 6,000 to 28,000 DWT), mainly serving routes in Northeast Asia, Southeast Asia, and the Gulf region. This is aimed at minimizing losses in shipping operations.

Given the continued challenges in the shipping market, in 2025, the Company aims to seek time charterers with sufficient reputation and financial capability to ease cash flow pressure from voyage charters. Simultaneously, the Company will work closely with and support long-term time charter clients to maintain existing contracts.

Additionally, for vessels returned by time charterers, the Company will enhance its marketing efforts and cargo sourcing capabilities for self-operated vessels to ensure sufficient cash flow for operational costs.

The Company will strengthen its customer development initiatives and leverage staff capabilities in ship brokerage and chartering to improve self-operation efficiency.

The Company will continue to cooperate and form partnerships with other enterprises within the parent Corporation to expand production and business activities and mutually utilize services.

Proactively collaborate with and support Dong Do Crew Supply JSC in crewing and crew export operations; support Hai Phong Branch in maintaining and developing traditional services such as ship agency and logistics services.

Continue reviewing internal management regulations and operational standards to update or issue new guidelines aimed at cutting unreasonable costs to the maximum extent.

Strengthen the management of accounts receivable and payable, establish detailed plans for debt collection and payment, and avoid accumulating uncollectible receivables or excessive payables.

Intensify training and professional development for management staff and vessel officers in technical expertise and foreign languages to enhance the quality of human resources.

III- Key Projected Business Targets

1- Key Economic Indicators

Based on the KPIs set by the capital owner, the Company has developed its core business and production targets for 2025 as follows:

1.1. Vessel Operation Activities

Cost projection: In 2025, one vessel (Dong Phu) is scheduled for dry-docking in April 2025, incurring significant repair expenses. Additionally, unallocated repair costs from previous years will still need to be amortized, resulting in continued high allocation for the fleet.

Revenue projection: Based on current freight rates, the Company has developed the following Time Charter Equivalent (TCE) rates for each vessel:

Dong Ba: 2,700 USD/day

Dong Phu: 4,300 USD/day

Dong Minh: 6,500 USD/day

Dong Ho: 4,600 USD/day

According to the plan, Dong An and Dong Thinh will be operated in Q1/2025 (TCE: 1,700 USD/day) and then liquidated, with expected sale prices of 0.95 million USD and 0.9 million USD, respectively. The total estimated proceeds from selling these two vessels is approximately 14.92 billion VND.

1.2. Other Service Activities

(including brokerage, external vessel chartering, crew leasing & management, office leasing, Hai Phong Branch)

Estimated revenue: 43.12 billion VND

Estimated profit: 3.31 billion VND

1.3. Financial Activities

Estimated foreign exchange difference cost: 2.14 billion VND

(This equals 2% of the total outstanding foreign currency debt as of 31/12/2024, amounting to 4.288 million USD or approximately 107.2 billion VND)

1.4. Summary of Main Business Targets

Cargo volume: 994,000 tons

Total revenue: 264.808 billion VND

Profit before tax: 1 billion VND

2. Workforce Plan

In 2025, the total projected number of employees is 201, a reduction of 24 employees compared to 2024. Breakdown:

Company HQ: 33 employees

Branches: 9 employees

Officers and crew: 159 employees

3. Remuneration for Non-Executive Members of the BOD and Supervisory Board:

BOD Member: 5,000,000 VND/person/month

Head of Supervisory Board: 5,000,000 VND/person/month

Member of Supervisory Board: 4,000,000 VND/person/month

4- Investment Plan

4.1. Due to ongoing financial difficulties, the Company will not implement a fleet investment plan in 2025. In accordance with the agreement with Vietnam Debt and Asset Trading Corporation (DATC), the Company will liquidate the Dong Thinh/Dong An vessel pair as soon as possible to repay debts to DATC. The Company will also coordinate with relevant credit institutions regarding the potential liquidation of the Dong Ho vessel (subject to approval by the lenders). If approved, the General Director will submit a separate report on the sale and adjusted business plan.

4.2. The Company will continue exploring other service segments to boost revenue and fulfill 2025 business targets.

4.3. The Company will continue working with related parties to complete the bankruptcy procedures for DHP Lines.

This concludes the report on the 2024 business, investment, and development results and the projected plan for 2025. On behalf of the Board of Directors, the General Director respectfully submits this report to the Annual General Meeting of Shareholders.

ON BEHALF OF THE BOARD OF DIRECTORS
MEMBER OF THE BOD, GENERAL DIRECTOR

(Signed)

Bùi Nhật Truyền