

**Appendix IV**  
**ANNUAL REPORT**

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

**PETROLIMEX INSTALLATION NO. III  
JOINT STOCK COMPANY**

**THE SOCIALIST REPUBLIC OF VIETNAM**  
**Independence - Freedom - Happiness**

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No: ~~17~~/ XL3- CBTT

HCMC, month ~~01~~, day ~~01~~, year 2025

**ANNUAL REPORT**  
**Year 2024**

**To: HANOI STOCK EXCHANGE (HNX)**

**I. General information**

**1. General information**

*Trading name:* Petrolimex Installation No.III Joint Stock Company (Penjico)

- *Business Registration Certificate No.:* 0302536580.
- *Charter capital:* 50.000.000.000 VNĐ
- *Owner's capital:* 57.719.303.621 VNĐ
- *Address:* No. 2286 Huynh-Tan-Phat street, hamlet 3, Phu-Xuan commune, Nha-Be district, Ho-Chi-Minh city.
- *Telephone:* 028 39404602
- *Fax:* 028 39404606
- *Website:* [www.penjico.petrolimex.com.vn](http://www.penjico.petrolimex.com.vn)
- *Securities code (if any):* PEN
- *Establishment and development process (Date of establishment, time of listing, and development milestones since the establishment until now).*
  - In 1977, the Ministry of Materials established Construction Company III as a state-owned enterprise with the function and duty of maintaining and repairing oil facilities taken over from the previous regime and constructing new oil storage facilities and piers for the oil industry in provinces from Quang Binh to Ca Mau.
  - On January 31, 2002, Construction Company III officially transitioned to a Joint Stock Company according to Decision No. 0721/QĐ-BTM dated June 8, 1999, and Decision No. 1239/2001/QĐ-BTM dated November 14, 2001, of the Ministry of Trade, with the new name Petrolimex Installation No. III joint stock company (PENJICO). At the time of equitization, the charter capital was 4.2 billion VND, of which the state capital accounted for 30%. The Ho Chi Minh City Department of Planning and Investment issued the first business registration certificate for the joint stock company with registration number 4103000817 on January 31, 2002, and the new business registration number 0302536580. The business registration certificate has been amended 18 times, with the latest amendment on July 11, 2022. The company's current total charter capital is 50 billion VND.
- *Other events:*
  - PENJICO listed its shares on the Hanoi Stock Exchange (HNX) with the stock code PEN from June 30, 2014, and officially started trading on September 25, 2014.
  - The Bureau Veritas certification organization issued the ISO 9001:2000 quality management system certification for oil tanks and pipeline systems on October 1, 2007; The ISO 9001:2008 quality management system was recertified on September 29, 2010; The ISO 9001:2015 quality management system was recertified on September 25, 2017; and most recently, the recertification was on September 18, 2022, valid until September 19, 2025.
  - ISOCERT, the international certification and inspection organization, issued the ISO 45001:2018 occupational health and safety management system certification on December 3, 2022, valid until December 2, 2025.

## 2. 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).*

- The main business activities of PENJICO are: Construction of facilities serving the petroleum industry; Construction of tanks, pipelines, installation of fire protection equipment; Manufacturing and trading of mechanical products and leasing warehouses and workshops; Foundation treatment for construction projects; Construction of embankments and ports; Trading of petroleum and petrochemical products, materials, and equipment for the petroleum industry; Providing and installing solar power systems.

- In 2024, PENJICO's main revenue comes from construction activities, including: Installation of storage tanks, technological pipeline systems for petroleum depots, food processing plants, petrol stations, etc. Provision of petroleum equipment; Warehouse rental services and revenue from financial investment activities.

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

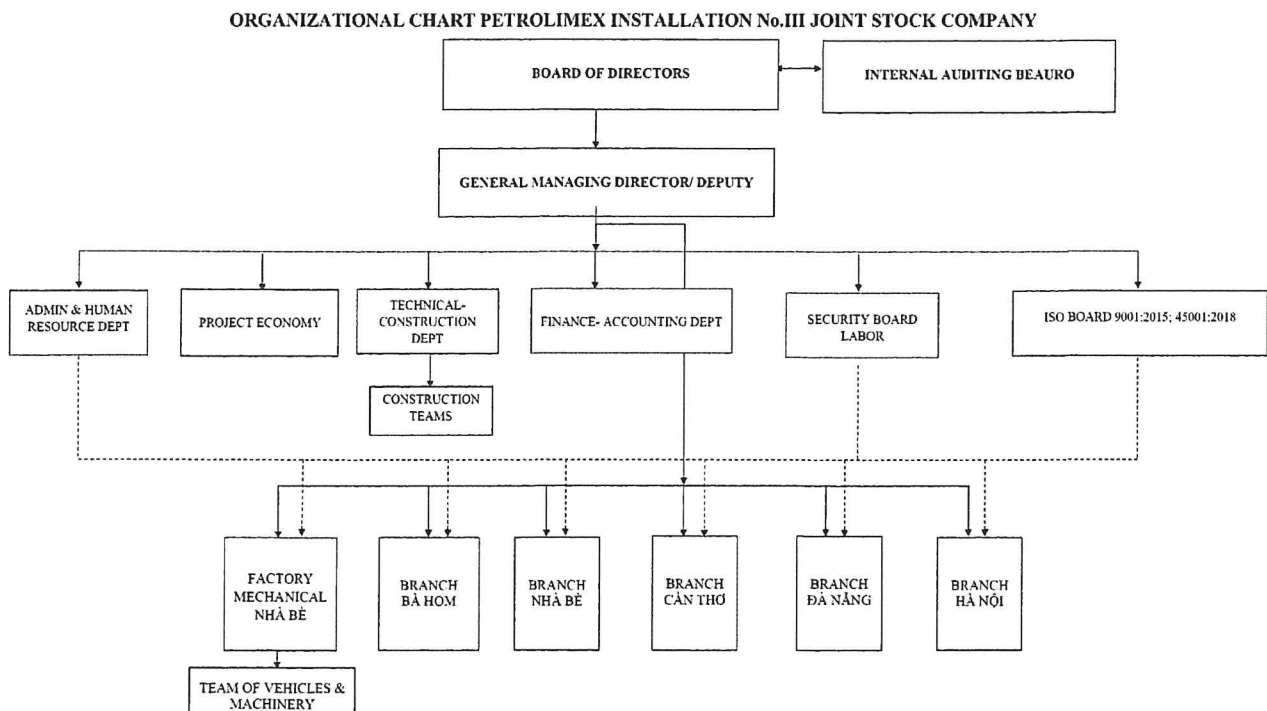
Hanoi, Da Nang, Ho Chi Minh City, Can Tho.

## 3. Information about governance model, business organization and managerial apparatus

- *Governance model (as stipulated in Article 137 of the Law on Enterprises).*

Since 2002, PENJICO has transitioned to a Joint Stock Company model. The General Meeting of Shareholders is the highest authority of PENJICO. The second highest authority is the Board of Directors, which is the management body of PENJICO, having full power to decide all matters related to PENJICO's purposes and interests, except for matters under the authority of the General Meeting of Shareholders. PENJICO has established a management system under which the management apparatus is responsible and operates under the leadership of the Board of Directors. PENJICO has one Director, two Deputy Directors, and one Chief Accountant appointed by the Board of Directors. Additionally, PENJICO has a Supervisory Board, which has the authority and responsibilities as stipulated by the Enterprise Law and the PENJICO's Charter to supervise the Board of Directors and the Executive Board in managing and operating PENJICO, and is accountable to the General Meeting of Shareholders for the performance of assigned tasks.

- *Management structure: See the attached PENJICO Organization Chart*



### NOTES:

- : DIRECT COMMAND
- : PROFESSIONAL GUIDANCE



- *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).*

None

#### *4. Development orientations*

- *Main objectives of the Company.*

- The PENJICO's development orientation is to build PENJICO into a strong entity with a reputable brand in the domestic and regional markets; Establish a unique corporate culture; Enhance the PENJICO's capabilities in the construction of storage tanks, pipelines, and facilities serving the petroleum industry.

- The PENJICO's organizational model and workforce meet ASME standards, capable of undertaking PC or EPC projects and projects with foreign investment.

- *Development strategies in medium and long term.*

- Continue investing in the infrastructure of the mechanical factory to support the manufacturing and processing of mechanical products through a closed process, ensuring construction progress is not dependent on the project location or weather. At the same time, develop a strategy for processing mechanical goods for export and processing all products for the construction of petroleum storage tanks.

- Building on the achievements of 2024, PENJICO will continue to seek construction projects for storage tanks, pipelines, and facilities serving the petroleum industry outside of Vietnam. Promote cooperation with domestic and foreign units to participate in bidding for international projects, aiming to build the brand in the market and increase revenue for PENJICO. Maintain the domestic job market while continuing to expand and exploit foreign markets.

- Stabilize production, focusing on economic efficiency.

- Emphasize investment in and development of human resources.

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

- Occupational safety, environmental sanitation, and fire prevention are regularly and strictly monitored.

- Control and fundamentally limit the level of environmental pollution in mechanical processing at the Mechanical Manufacturer.

- The Union of PENJICO always pays attention to and encourages employees to complete assigned tasks, contribute, and actively participate in social activities.

*5. Risks: (Specify the risks that may affect business operations or the achievement of the Company's objectives, including environmental risks, natural disasters, epidemics, etc.).*

- Natural disasters such as storms and floods, and unusual weather conditions affect the construction timeline.

- Delayed payments from investors and bank loan interest rates also impact business efficiency.

## **II. Operations in the Year**

### *1. Situation of production and business operations*

- *Specify the results achieved for the year. Specify major changes and movements in business strategy, revenue, profits, costs, markets, products, supplies, etc.*

- In 2024, although the Vietnamese economy in general and the energy sector in particular showed signs of improvement, due to objective reasons, petroleum construction projects were still in the feasibility study, design, or bidding stages in the early months of the year. Therefore, contracts were mainly concentrated at the end of the year, making it difficult to mobilize experienced personnel in the petroleum and oil and gas sectors. Meanwhile, projects signed in 2023 and carried over to 2024 were not many or not yet ready for simultaneous implementation.

- Intense competition among construction units, not only from domestic enterprises but also from foreign companies. The significant reduction in costs led to relatively low efficiency for each project.

- The lack of capital, having to rely entirely on counterpart funds and bank loans, resulted in high interest expenses (accounting for more than 35% of indirect costs) despite certain progress.

- Unrecovered debts from the DENKO project and the Hòn La project have affected business operations.

- Comparing the actual progress with the targets and the results of the preceding years. Analyzing specific reasons of the unachievement/achievement/excess of the targets and against the preceding years.

Unit: Million VND

No	Target	Implement 2023	Plan 2024	Implement 2024	% Plan	% same period 2023
1	Output	136.962	300.000	233.699	78%	171%
2	Revenue	133.985	270.000	268.460	99%	200%
3	Total profit before tax	-14.676	2.000	1.015	51%	
4	Total profit after tax	-15.451	2.000	1.010	51%	
5	Total investment value	761	11.930	1.901	16%	250%

## 2. Organization and Human resource

- List of the Board of Management: (List, curriculum vitae and ownership percentage of the Company's voting shares and other securities by the Company's General Director, Deputy General Directors, Chief Accountant and other managers).

No.	FULL NAME	POSITION	PENJICO's share ownership ratio
1	Nguyen Ngoc Thanh	Director	0%
2	Duong Minh Tri	Vice director	0.24%
3	Nguyen Thi Phuong	Vice director	4.98%
4	Hoang Tran Nhu Quynh	Chief Accountant	0.55%

- Changes in the Board of Management: (List the changes in the Board of Management in the year).  
Decision to appoint Mrs. Nguyen Thi Phuong as Vice Director of PENJICO from April 19, 2024.

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

- Number of employees as of December 31, 2024 is 137 people.
- PENJICO fully implements the regimes for employees: salary; bonus; mid-shift meals; gasoline for movement; social insurance - health insurance - unemployment insurance - occupational accident and disease insurance according to the provisions of the Social Insurance Law.

## 3. Investment activities, project implementation

a) Major investments: Specify major investments implemented for the year (including financial investments and project investment), the implementation progress of major projects. If the Company has conducted public offering for the projects, it is necessary to indicate the progress of implementation of the projects and analyze the reasons incase of achievement/failure to achieve the announced and committed targets.

None

b) Subsidiaries, associated companies: (Summarizing the operations and financial situation of the subsidiaries, associated companies).

None

## 4. Financial situation

a) Financial situation



<b>Indicators</b>	<b>Year 2023</b>	<b>Year 2024</b>	<b>% change</b>
<i>* Applicable for organization other than credit institutions and non-bank financial institutions:</i>			
<i>Total asset</i>	255.369.924.719	272.420.775.097	7 %
<i>Net revenue</i>	133.984.999.883	268.459.795.880	102%
<i>Profit from business activities</i>	(14.193.045.670)	(157.817.454)	
<i>Other profits</i>	(483.614.832)	1.173.658.255	
<i>Profit before tax</i>	(14.676.660.502)	1.015.840.801	
<i>Profit after tax</i>	(15.450.780.902)	1.010.428.401	
<i>Payout ratio</i>	0%	0%	

- Other figures: (depending on the specific characteristics of the industry and of the Company to clarify the company's operating results for the last two years).

b) Major financial indicators:

<b>Indicators</b>	<b>Year 2023</b>	<b>Year 2024</b>	<b>Note</b>
<b>1. Liquidity Analysis Ratios</b>			
+ <i>Current ratios:</i>			
<i>Current Assets/ Short-term liabilities</i>	1,25	1,22	
+ <i>Quick ratios:</i>			
<i>Current Assets - Inventories</i>	1,14	1,1	
<i>Short term liabilities</i>			
<b>2. Capital structure Ratio</b>			
+ <i>Liabilities/ Total assets</i>	0,78	0,79	
+ <i>Liabilities / Owner's Equity ratio</i>	3,5	3,72	
<b>3. Operation capability Ratio</b>			
+ <i>Inventory turnover ratio:</i>			
<i>Cost of goods sold/ Average inventory</i>	7	11	
+ <i>Asset turnover ratio:</i>			
<i>Net revenue/ Average Total Assets</i>	0,55	1,02	
<b>4. Profitability Indicator</b>			
+ <i>Return on Sale( ROS): Profit after tax/ Net revenue</i>		0,38%	
+ <i>Return on Equity( ROE): Profit after tax/ Owners Equity</i>		1,75%	
+ <i>Return on Assets( ROA): Profit after tax/ Average total Assets</i>		0,38%	

5. Shareholders structure, change in the owner's equity.

<b>Shareholders</b>	<b>Number of shares owned</b>	<b>Rate (%)</b>
<b>Total</b>	<b>5.000.000</b>	<b>100%</b>
<b>In which:</b>		
Major shareholders	2.189.760	43.8%
Small shareholders	2.810.240	56.2%
Institutional shareholders	1.984.090	39.68%

Individual shareholders	3.015.910	60.32
Domestic shareholders	4.998.700	99,97%
Foreign shareholders (According to the list of shareholders on the date of registration: March 29, 2023)	1.300	0,03%
State shareholders		
Shareholders are LLCs belonging to the PLX system	1.500.000	30%
Other shareholders	3.500.000	70%

a) *Shares: Specify total number and types of floating shares, number of freely transferable shares and number of preferred shares in accordance with the law, the Company's Charter and commitments of the owner. Where the company has securities traded in foreign countries or underwritten the issuance and listing of securities in foreign countries, it is required to specify the foreign markets, the number of securities to be traded or underwritten and important information concerning the rights and obligations of the company related to the securities traded or underwritten in foreign countries.*

The total 5,000,000 shares of PENJICO in circulation are all common shares, freely transferable, with no number of shares restricted from transfer as prescribed by law.

b) *Shareholders structure: Specify shareholders structure by ownership percentages (major, minority shareholders); institutional and individual shareholders; domestic and foreign shareholders; State and other shareholders; foreign shareholder's maximum percentages.*

c) *Change in the owner's equity: Specify equity increases including public offerings, private offerings, bond conversions, warrant conversions, issuance of bonus shares, shares dividend, etc.*

None

d) *Transaction of treasury stocks: Specify number of existing treasury stocks, list transactions of treasury stocks conducted for the year including trading times, prices and counter parties.*

None

e) *Other securities: Specify other securities issues conducted during the year. Specify the number, characteristics of other types of floating securities and outstanding commitments of the Company to other individuals, organizations (including Company's staffs and managers) related to the securities issues.*

None

## 6. *Environment-Social-Governance (ESG) Report of the Company*

### 6.1. *Environmental Impact:*

*Total direct and indirect GHG emission*

*Measures and initiatives to reduce GHG emission.*

None

### 6.2. *Management of raw materials:*

a) *The total amount of raw materials used for the manufacture and packaging of the products as well as services of the organization during the year.*

None

b) *The percentage of materials recycled to produce products and services of the organization.*

None

### 6.3. *Energy consumption:*

a) *Energy consumption - directly and indirectly.*

Electricity consumption at the company's office: 67.577 Kwh/year

b) *Energy savings through initiatives of efficiently using energy.*

None

c) *The report on energy saving initiatives (providing products and services to save energy or use renewable energy); report on the results of these initiatives.*

None

### 6.4. *Water consumption (water consumption of business activities in the year)*

a) *Water supply and amount of water used.*

Nha Be Water Supply Joint Stock Company supplies water for daily activities at PENJICO Office.

Water usage is 2,144m<sup>3</sup>/year.



b) *Percentage and total volume of water recycled and reused.*

None

6.5. *Compliance with the law on environmental protection:*

a) *Number of times the company is fined for failing to comply with laws and regulations on environment.*

None

b) *The total amount to be fined for failing to comply with laws and regulations on the environment.*

None

6.6. *Policies related to employees*

a) *Number of employees, average wages of workers.*

- Number of employees as of December 31, 2024 is 137 people.
- Average salary for employees: 10.5 million VND/person/month.

b) *Labor policies to ensure health, safety and welfare of workers.*

- Implement the Collective Labor Agreement.
- Conduct periodic monitoring of the working environment once a year.
- Provide PPE, annual health check-ups, provide health insurance for illness, maternity, work-related accidents, personal insurance: Healthcare (PJICO), personal accident insurance.

c) *Employee training*

- *The average number of training hours per year, according to the staff and classified staff.*

+ Training internal auditors according to ISO 45001:2018 standard: 01 person.

+ Training course on occupational safety and health for employees: 03 people

+ Training certificate of supervision of construction of civil - industrial - technical infrastructure works, grade 1: 01 person.

+ Training certificate for supervising equipment installation, grade 1: 01 person.

- *The skills development and continuous learning program to support workers employment and career development.*

None

6.7. *Report on responsibility for local community.*

*The community investments and other community development activities, including financial assistance to community service.*

Contribution to support Northern compatriots affected by Storm No. 3: 19.6 million VND, of which 4.6 million VND for individual workers, Ho Chi Minh City Disaster Prevention Fund: 8,282,000 VND.

6.8. *Report on green capital market activities under the guidance of the SSC.*

**Note:** *(As for Section 6 of Part II of this Appendix, the company may set up a separate Sustainability Development Report, in which the items 6.1, 6.2 and 6.3 are not mandatory for companies operating in sector of finance, banking, securities and insurance ).*

*Public companies are encouraged to apply the globally accepted reporting and disclosure standards in preparing their sustainability reports.*

None

### **III. Reports and assessments of the Board of Management (the Board of Management reports and assesses the Company's situation through every facet)**

*The Board of Management's reports and assessments shall include at least the following contents:*

#### **1. Assessment of operating results**

- *General analysis of company's operations against the previous operating targets and results. In case of failing to meet the operating results and targets, the Board of Management must clearly state the reasons and their responsibilities for such results (if any).*

- In 2024, PENJICO signed many new valuable contracts, significantly increasing the total contract value compared to the previous year. However, in terms of output, revenue, and profit, despite efforts, due to various subjective and objective reasons, the output, revenue, and profit for the year did not meet the expected plan, although the results more than doubled compared to 2023. More importantly, PENJICO made a profit (although not meeting the plan) compared to the loss in 2023.

- PENJICO lacks working capital, having to borrow from banks or other sources at high interest rates, sometimes unable to borrow due to lack of collateral.



- The manufactory that processing semi-products at the Nhà Bè area had to be relocated as required by Ho Chi Minh City and Petrolimex zone 2, greatly affecting the PENJICO's production process.
- Effective from January 1, 2024, still maintains preferential treatment for construction packages under 5 billion VND for micro and small enterprises.
- Petroleum industry projects face difficulties with the regulation: Construction contractors and consulting contractors must not have shares or capital contributions in each other, and must not jointly have shares or capital contributions exceeding 20% in the same organization.
- *The Company's achievements.*
  - Ensure that the individual and company capability profiles meet the conditions to participate in bidding for petroleum construction and industrial projects. The arrangement of technical staff in the project management team with the necessary technical expertise has proven effective in organizing construction activities.
  - Reduce general costs by 8% to 10%.
  - PENJICO has signed many large contracts with new clients for projects such as: Petroleum storage projects for military purposes; Petroleum, chemical, and aviation fuel storage projects; Rooftop solar power projects; Liquefied gas projects; Storage tanks and silos for the F&B industry.
  - Strictly control costs, accurately and fully account for branches and key projects. Ensure reasonable cash flow allocation for projects, timely debt repayment, and avoid delays in capital supply for production, especially given PENJICO's current severe shortage of working capital and lack of collateral.
  - The Quality Management System according to ISO 9001-2015 and the Occupational Health and Safety Management System according to ISO 45001-2018 continue to be maintained and continuously improved throughout the company. As a result, significant achievements have been made in enhancing product and service quality, while ensuring a safe and healthy working environment for all employees. These improvements not only help to strengthen the company's reputation and position in the market but also contribute to sustainable and long-term development.

## 2 Financial Situation:

### a) Assets

*Analysis of assets and changes in assets (analysis and assessment of the efficiency of assets usage and bad receivable debts that affect operating results).*

**Unit : VND**

<i>Indicators</i>	<b>Beginning of year number</b>	<b>End of year number</b>
<b><i>I- Current Assets</i></b>	235,364,179,386	254,368,939,975
1- Cash and cash equivalents	35,031,621,704	15,432,467,054
2- Short-term financial investments	10,652,674,900	9,161,178,700
3- Short-term receivables	163,002,341,563	197,719,272,079
4- Inventories	20,714,674,959	25,708,501,090
5- Other current assets	5,962,866,260	6,347,521,052
<b><i>II- Non-current Assets</i></b>	20,005,745,333	18,051,835,122
1- Long-term receivables	10,000,000	10,000,000
2- Fixed assets	18,772,379,549	16,191,930,990
3- Investment properties		
4- Long-term work-in-progress assets		360,569,913
5- Long-term financial investments		
6- Other non-current assets	1,223,365,784	1,489,334,219
<b>Total Assets</b>	<b>255.369.924.719</b>	<b>272.420.775.097</b>



+ Total assets and capital as of December 31, 2024, are VND 272.42 billion, an increase of VND 17 billion compared to the same period last year.

+ Current assets are VND 254.37 billion, accounting for 93% of total assets; Non-current assets are VND 18.051 billion, accounting for 7%.

The construction and financial investment business activities depend on bank loans and customer advances, so business efficiency is affected by monetary policy and bank interest rates.

The investment value realized in 2024 is VND 1,901 million, only reaching 14% of the plan. The main investment activities are: Dismantling to relocate the old factory in the general warehouse; Renovating and expanding the workshop to the company office area; Renovating the canteen and office rooms for the company office area; Maintaining the workshop and transformer station in the Bà Hom area.

b) *Debt Payable*

- *Current debts, major changes of debts.*

*Unit : VND*

<i>Indicators</i>	<i>Beginning of year number</i>	<i>End of year number</i>
<b>I. Liabilities</b>	<b>198,661,049,499</b>	<b>214,701,471,476</b>
1.Short-term debt	188,196,435,206	209,564,115,230
2.Long-term debt	10,464,614,293	5,137,356,246
<b>II. Owner's equity</b>	<b>56,708,875,220</b>	<b>57,719,303,621</b>
1.Owner's equity	56,708,875,220	57,719,303,621
2.Other funding and funds		
<b>Total capital</b>	<b>255,369,924,719</b>	<b>272,420,775,097</b>

• Liabilities 214.7 billion VND, increased 16 billion VND compared to the beginning of the period, accounting for 79%, Owner's equity 57.72 billion VND, accounting for 21%, short-term payment ratio 1.22 times, quick payment ratio 1.1 times.

In which :

- Debt is 61.156 billion VND: short-term loans 56.068 billion VND, long-term loans 5.087 billion VND.

Including:

Bank loans 54.469 billion VND, increased 5.061 billion VND compared to the beginning of the period.

Personal loans 6.687 billion VND, decreased 1.952 VND compared to the beginning of the period.

Debt payable to sellers is 35.728 billion VND, increased 25.482 billion VND compared to the beginning of the period.

- *Analysis of bad debts, impacts of the exchange rate changes on operating results of the Company and impacts of lending rate changes.*

There is no overdue debt.

Loan interest rates are determined in each specific Credit Contract, each debt acknowledgment contract, according to the bank's interest rate regime in each period, so they are not affected by interest rate differences.

*3. Improvements in organizational structure, policies, and management.*

• The arrangement and streamlining of the structure of functional departments and affiliated units; the reconstruction of functions, tasks, responsibilities, powers and staffing of functional departments, affiliated units and factories have created a driving force to increase productivity and work efficiency of workers.

• Construction supervision is maintained by image reports according to the PENJICO's regulations. All construction projects ensure progress, technique and quality meet requirements.

• The projects have ensured absolute safety throughout the construction process, especially the projects in operating oil depots.

4. *Development plans in future*

**Main financial plan:**

No.	INDICATORS	Unit	Year 2025
1	Charter capital	Billion VND	50
2	Total Revenue	Billion VND	339
3	Profit before tax	Billion VND	1,9
4	Dividend ratio	%	0

**Investment plan:**

No.	INDICATORS	Unit	Year 2025
	<b>Investment realization value</b>	<b>Billion VND</b>	<b>12,254</b>
1	Machinery equipment tools	Billion VND	2,210
2	Facilities	Billion VND	9,496
3	Human resource training	Billion VND	0,548

5. *Explanation of the Board of Management for auditor's opinions (if any) - (In case the auditor's opinions are not unqualified).*

- *Regarding the consideration of provisioning for short-term receivables of customers: These are construction debts that, up to now, due to many objective reasons, at the time of issuing the audit report, the projects have not fully met the procedures and conditions for completion.*

- *Regarding the consideration of provisioning for short-term prepayments to suppliers: This is the advance payment to suppliers to perform contracts for the supply of materials, goods and services for the company's ongoing projects. At the time of issuing the Audit Report, we have contacted the partners and will collect in 2025.*

- *For backlog and slow-moving inventory from previous years: These are items that have been in stock for a long time and have lost quality. The Company plans to destroy them or work with suppliers to exchange them for new items. At the time of publishing the financial statements, the negotiations have not been completed. Therefore, the Company has agreed with the auditor to present an exception opinion to accurately reflect the facts.*

6. *Assessment Report related to environmental and social responsibilities of the Company*

a. *Assessment concerning the environmental indicators (water consumption, energy, emissions, etc.).*

None

b. *Assessment concerning the labor issues*

None

c. *Assessment concerning the corporate responsibility for the local community*

None

**IV. Assessments of the Board of Directors on the Company's operation (for joint stock companies)**

1. *Assessments of the Board of Directors on the Company's operation, including the assessment related to environmental and social responsibilities.*

- *The Bidding Law No. 22/2023/QH15 dated June 23, 2023, has been amended and is effective from January 1, 2024, but still maintains preferential treatment for construction packages with a bid value not exceeding VND 5 billion for micro and small enterprises. Petroleum industry projects face the regulation: Contractors participating in the bid with consulting contractors (specifically PEC consulting company) of that package must not have shares or capital contributions in each other; Must not jointly have shares or capital contributions exceeding 20% in another organization or individual.*

- *The PENJICO's construction activities are always in a state of lacking working capital and must rely entirely on bank loans and other sources. During business operations, there are times when PENJICO cannot borrow from banks due to lack of collateral to secure credit limits at the bank, and other loan sources have high interest rates.*



- Although the construction projects have passed the warranty period, the investors have not yet made payments for various reasons, including both subjective and objective reasons. The outstanding debts have been prolonged and not yet recovered, including the Denko project (Myanmar). Long-standing bad debts from many years ago have been adjudicated by the court but have not yet been executed for recovery, including Southern Air Petrol Logistic Joint Stock Company (SAPL JSC) and Hòn La project (in Quảng Bình).

## 2. *Assessment of Board of Directors on Board of Management's performance*

In the past year, the Board of Directors, together with the Executive Board, held 09 joint meetings to evaluate, analyze, and forecast the company's business and production situation for 2024, and to propose solutions to enhance business operations. The Executive Board has consistently demonstrated its advisory role, implementing the resolutions of the Board of Directors correctly. However, some business performance indicators have not met the planned targets.

## 3. *Plans and orientations of the Board of Directors*

The Board of Directors will focus on directing, supervising, and supporting the Executive Board to continue implementing the following orientations:

- Prioritize, promote, and strengthen marketing efforts to create selective job sources, ensuring efficiency. Focus on fully exploiting the services of existing infrastructure such as warehouses and workshops on the company's land; Complete legal procedures for land areas, study options for converting land use purposes in accordance with state policies and the company's interests according to Resolution 98/2023/QH15 of the National Assembly on piloting special land policies for Ho Chi Minh City; Resolution 171/2024/QH15 of the National Assembly allows piloting commercial housing projects through voluntary transfer or existing land use rights. This resolution will be effective from April 1, 2025, and will last for 5 years. This is an important step to solve difficulties in land access and promote the real estate market development for the company's land areas in Bà Hom and Nhà Bè.
- Focus on restructuring the company's production organization towards streamlined, efficient, and effective operations, minimizing costs, and enhancing effective corporate governance; fully apply information technology in enterprise management.
- Develop business sector strategies in order of priority based on multi-sectoral alignment with the company's existing resources and strengths and societal development trends.
- Focus on debt recovery, use capital for financial investment and business cooperation effectively, ensure liquidity, and comply with legal regulations and the company's charter. The Board of Directors will strengthen the direction of the Executive Board to implement timely capital supply solutions for business operations and project execution, ensuring progress, quality, and efficiency; implement specific solutions to recover large debts and address accumulated losses from previous years.

## **V. Corporate governance**

### *1. Board of Directors*

a) *Members and structure of the Board of Directors: (the list of members of the Board of Directors, ownership percentages of voting shares and other securities issued by the company, the list of independent members and other members; the list of positions that a member of the Board of Directors at the Company hold at other companies).*

No.	Full name	Position	Executive/ Independent/ Non- Executive	Share ownership ratio
1	Cung Quang Ha	Chairman of the Board of Directors	Executive	3,97%
2	Nguyen Ngoc Thanh	Member	Executive	0%
3	Truong Dang Canh	Member	Executive	0%
4	Nguyen Hong Ky	Member	Non-Executive	4,29%
5	Dao Quoc Hung	Member	Independence	0%



b) *The committees of the Board of Directors: (The list of the subcommittees of the Board of Directors and list of members of each subcommittee).*

- The Legal Subcommittee consists of 01 member: Mr. Nguyen Huy Nhan, Head of the Committee.
- The Strategy Subcommittee consists of 01 member: Mr. Dao Quoc Hung, Head of the Committee.

c) *Activities of the Board of Directors: Assessing activities of the Board of Directors and specifying the number of Board of Directors meetings, their contents and results.*

In 2024, the Board of Directors held 9 direct meetings and 4 written consultations with members as per regulations to understand the business and production situation from the company to its branches, issuing 13 Resolutions and 5 Decisions to implement timely policies and directives. Details of the Resolutions and Decisions issued in 2024 are presented in the Governance Report No. 04/XL3-HĐQT-BC dated January 20, 2025, and have been published on the information disclosure system of the Hanoi Stock Exchange as well as on the company's website.

Additionally, the Board of Directors exercised its authority according to the company's charter, implementing the following tasks: :

- Approving the business plan targets for 2024.
- Organizing the 2024 Annual General Meeting of Shareholders.
- Directing and supervising the implementation of the General Meeting of Shareholders' resolutions regarding the business plan, investment plan, and profit plan for 2024.

d) *Activities of the Board of Directors' independent members. Activities of the Board of Directors' subcommittees: (assessing activities of the subcommittees of the Board of Directors, specifying the number of meetings of each subcommittee, their contents and results).*

**Independent Board Member's Supervision Report, results as follows:**

+ The Board of Directors organized meetings in accordance with regulations and the charter, ensuring objectivity for the common interests of the company, and safeguarding the legitimate rights and interests of minority shareholders, employees, and partners.

+ Through supervision of the company's activities, transparency was observed in the Board of Directors' and Executive Board's operations in policy and development strategy formulation, internal financial activities, and public disclosure of governance information and transactions affecting the company's operations.

+ In 2024, the overall activities of the company, the Board of Directors, and the Executive Board complied with the Enterprise Law, the company's charter, and regulations. However, due to numerous difficulties, both objective and subjective, the company's production activities were affected, resulting in the business performance for 2023 not meeting the planned targets.

**Activities of the subcommittees under the Board of Directors::**

- The Legal Subcommittee reviewed and proposed amendments to the company's charter and internal governance regulations; directly monitored and represented the company in litigation cases at various court levels; monitored the execution of judgments in cases with execution decisions; and recovered bad debts.

- The Strategy Subcommittee focused on product development research and seeking information on foreign markets.

e) *The list of members of the Board of Directors possessing certificates on corporate governance. The list of members of the Board of Directors participating in corporate governance training programs in the year.*

None.

**2. Board of Supervisors/Audit Committee**

a) *Members and structure of the Board of Supervisors/Audit Committee: (The list of members of the Board of Supervisors, ownership percentages of voting shares and other securities issued by the company).*

No.	Full name	Position	Share ownership ratio
1	Le Thi Hong Mai	Head	0,1%
2	Nguyen Hong Minh	Member	0 %
3	Ngo Hong Phi	Member	0%

b) *Activities of the Board of Supervisors/Audit Committee: (Assessing activities of the Board of Supervisors/Audit Committee, specifying the number of Board of Supervisors'/Audit Committee's meetings, their contents and results).*



- The Supervisory Board consists of 03 members, including 01 member working on a full-time basis. The Supervisory Board held 10 meetings, both in-person and online, ensuring the supervision tasks were carried out according to the assigned program and plan.
- During the year, there was a change in the Supervisory Board members: At the Annual General Meeting of Shareholders on April 25, 2024, the meeting approved Mr. Vũ Cường's resignation and simultaneously ratified the election of Ms. Nguyễn Hồng Minh as his replacement.
- The members of the Supervisory Board fully comply with legal regulations, ensuring adherence to the company's charter, the Enterprise Law, and the working regulations of the Supervisory Board.
- Participate and appoint representatives to attend all Board of Directors meetings and monthly Executive Board meetings.
- Provide feedback and recommendations to the Board of Directors and the Executive Board on various aspects of the company's operations.
- Supervise the implementation of the company's business plan, the execution of resolutions from the General Meeting of Shareholders and the Board of Directors.
- Propose the Board of Directors to select CPA Auditing Co., Ltd. as the auditing unit for the company's financial statements for 2024.
- Monitor the implementation of information disclosure, promptly respond to information requests from regulatory agencies such as the State Securities Commission, Hanoi Stock Exchange, Vietnam Securities Depository, and publish information on the company's website, ensuring information sharing with shareholders and investors.
- For shareholders: The Supervisory Board directly addressed inquiries within its scope and conveyed shareholders' opinions to the Board of Directors and the Executive Board to jointly understand and resolve issues satisfactorily, ensuring maximum shareholder benefits.

### **3. Transactions, remunerations and benefits of the Board of Directors, Board of Management and Board of Supervisors/Audit Committee**

a) *Salary, rewards, remuneration and other benefits and expenses for each member of the Board of Directors, the Board of Supervisors/Audit Committee, Director and General Director and managers. Values of such remuneration, benefits and expenses shall be disclosed in details for each person. Non-material benefits which have not been/cannot be quantified by cash shall be listed and explained).*

No.	POSITION	BOARD OF DIRECTORS' REMUNERATIONS	SALARY, ALLOWANCES, BONUSES	TOTAL TAXABLE INCOME
<b>I</b>	Board of Directors			
<b>1</b>	Chairman of the Board of directors		425.100.000	425.100.000
<b>2</b>	Standing Member (before 25/4/2024)		18.000.000	18.000.000
<b>3</b>	Standing Member (after 25/4/2024)		36.000.000	36.000.000
<b>4</b>	Member and Secretary of the Board of Directors (before 25/4/2024)		224.383.600	224.383.600
<b>5</b>	Member 3 (after 25/4/2024)		36.000.000	36.000.000
<b>6</b>	Member 1	54.000.000		54.000.000
<b>7</b>	Member 2	54.000.000		54.000.000

<b>II</b>	Board of Supervisors			
<b>1</b>	Head of Board of Supervisors		189.495.671	189.495.671
<b>2</b>	Member 1 (before 25/4/2024)	12.600.000		12.600.000
<b>3</b>	Member 1 (after 25/4/2024)	25.200.000		25.000.000
<b>4</b>	Member 2	37.800.000		37.800.000
<b>III</b>	Executive Board			
<b>1</b>	Director		387.409.980	387.409.980
<b>2</b>	Vice director 1		291.354.568	291.354.568
<b>3</b>	Vice director 1		170.719.420	170.719.420
<b>5</b>	Chief accountant		224.905.533	224.905.533
	<b>Total</b>	<b>273.600.000</b>	<b>1.913.368.772</b>	<b>2.186.968.772</b>

b) *Share transactions by internal shareholders: (Information about share transactions of members of Board of Directors, members of the Board of Supervisors/Audit Committee, Director (General Director), Chief Accountant, the company's managers, secretaries, major shareholders and their affiliated persons).*

None

c) *Contracts or transactions with internal shareholders: Information about the contracts, or transactions signed or executed in the year by the members of the Board of Directors, Board of Supervisors/Audit Committee, Director (General Director), managers and affiliated persons with the Company, subsidiaries, and other companies in which the Company holds the control right.*

**\* Transactions between PENJICO and PET-NOR LNG :**

- Construction contract No. 31/XL3-HĐ dated January 9, 2024, for the supply of steel materials with a value of 4,397,335,030 VND, PLHĐ dated February 25, 2024, and PL01-31/XL3-HĐ adjusting the type of materials with an adjusted contract value of 3,766,332,080 VND.
- Sales contract No. 37/XL3-HĐ dated March 26, 2024, for the supply of steel materials with a value of 5,214,428,103 VND.
- Contract No. 42.1/XL3-HĐKT dated May 8, 2024, for office space rental with a value of 2,800,000 VND/month.
- Contract No. 50/XL3-HĐ dated July 22, 2024, for the fabrication and installation of stainless steel tanks with a value of 4,989,050 VND, PLHĐ No. 50.1/PLHĐ dated July 23, 2024, with an adjusted value of 6,281,234,586 VND, and PLHĐ 67.1/PLHĐ dated November 18, 2024, with an adjusted value of 6,640,750,558 VND.
- Contract No. 61/XL3-HĐ dated September 26, 2024, for repair work at the tank area with a value of 533,792,651 VND.



- Contract No. 65/XL3-HĐ dated October 17, 2024, for the fabrication and installation of compressed air pipelines with a value of 445,593,610 VND.
- Contract No. 70/XL3/Petnor dated December 16, 2024, for the supply of steel with a value of 254 million VND.

**\* Transactions between PENJICO and VNJP JSC:**

- Contract for the supply of industrial valves No. 19/HĐMB/PENJICO-VNJP dated January 9, 2024, with a value of 510,927,300 VND.
- Contract for the supply of industrial valves No. 1103/HĐMB/PENJICO-VNJP dated March 13, 2024, with a value of 240,797,700 VND.
- Contract for the supply of equipment No. 15122023/HĐKT/PENJICOHN-VNJP dated December 15, 2023, with a value of 230,592,681 VND.
- Contract for the supply of equipment No. 18122023/HĐKT/PENJICOHN-VNJP dated December 18, 2023, with a value of 624,110,200 VND.
- Contract for the supply of equipment No. 20122023/HĐKT/PENJICOHN-VNJP dated December 20, 2023, with a value of 650,100,000 VND.
- Contract for the supply of equipment No. 1505/HĐMB/PENJICO-VNJP dated May 15, 2024, with a value of 29,491,682 VND.
- Contract for the supply of equipment No. 3005/HĐMB/PENJICO-VNJP dated May 30, 2024, with a value of 16,225,000 VND.
- Contract for the purchase of a vaporizer heater with a value of 35,000,000 VND.
- Contract for the purchase of CU cable No. 20122024/HĐMB/PENJICO-VNJP dated December 20, 2024, with a value of 4,130,000,556 VND.
- Rooftop solar power at Da Nang office with a value of 133,355,961 VND.

**\* Transactions between PENJICO and Tam Viet CKC Energy Technology Company Limited:**

- Contract for the purchase of equipment No. 01/HĐMB-CKC-PENJICO dated April 17, 2024, with a value of 32,400,000 VND.
- Contract for the purchase of goods No. 58/HĐMB/XL3-CKC dated May 30, 2024, with a value of 605,000,000 VND.
- Contract for the supply of solar panels No. 91/HĐKT/CKC-PENJICO dated June 10, 2024, with a value of 1,285,350,000 VND.
- Contract for the supply of solar panels No. 90/HĐKT/CKC-PENJICO dated June 10, 2024, with a value of 771,210,000 VND.
- Contract for the supply of solar panels No. 0207/HĐKT/CKC-PENJICO dated July 2, 2024, with a value of 291,500,000 VND.
- Contract for the purchase of goods No. 1812/HĐKT/CKC-PENJICO dated December 18, 2024, with a value of 155,827,171 VND.

d) *Assessing the implementation of regulations on corporate governance: (Specifying the contents which have not been implemented in accordance with the laws on corporate governance. Specifying reasons and solutions to improve the efficiency of corporate governance).*

PENJICO has developed an Internal Regulation on Corporate Governance and appointed a person in charge of corporate governance. Implement and fully comply with the provisions of law on Corporate Governance and on the Organization of the General Meeting of Shareholders.

## **VI. Financial statements**

### **1. Auditor's opinions**

The accompanying financial statements gives a true and fair view of, in all material respects, the financial position of Petrolimex Installation No.3 Joint Stock Company as of 31 December 2024 and the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the financial statements in Vietnam. Exception the Company has neither assessed the recoverability nor considered the provision of allowances for short-term receivables from customers totalling VND 15,858,743,636, short-term repayments to suppliers

totalling VND 306,336,350. And the Company has not assessed the net realizable value of inventories that are slow moving with the amount of VND 698,640,000.

2. *Audited financial statements (Audited annual financial statements include: Balance sheet; Income statement; Cash flow statement; Financial Statements Explanation. In case the company has to prepare consolidated or general Financial Statements in accordance with the law on accounting and audit, the Financial Statements presented in the Annual Reports shall be the consolidated Financial Statements; and clearly state the addresses where the financial statements of the parent company to be published and provided).*

Audited financial statements are attached to this report.

**Recipients:**

- HNX
- Archived

**CONFIRMATION BY THE COMPANY'S LEGAL  
REPRESENTATIVE**

(Signature, full name and seal)



Director  
*Nguyễn Ngọc Thanh*

C.P. U.