



ANNUAL REPORT 2020

PETROVIETNAM OIL CORPORATION

HCMC, April 2021

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PART I

GENERAL INFORMATION ABOUT PVOIL

1. General information

- ♦ Full name in English: PETROVIETNAM OIL CORPORATION
- ♦ Abbreviated English name: PVOIL
- ♦ Business registration certificate number: 0305795054
- ♦ Charter capital: VND 10,342,295,000,000
- ♦ Owner's capital: VND 10,342,295,000,000
- ♦ Address: Floor 14-18 Petro Vietnam Tower, 1 - 5 Le Duan, Ben Nghe Ward, District 1, HCMC, Vietnam
- ♦ Phone number: (84-28) 3910 6990
- ♦ Fax number: (84-28) 3910 6980
- ♦ Website: www.pvoil.com.vn
- ♦ Securities ticker: OIL, trading on UpCom exchange since March 7, 2018

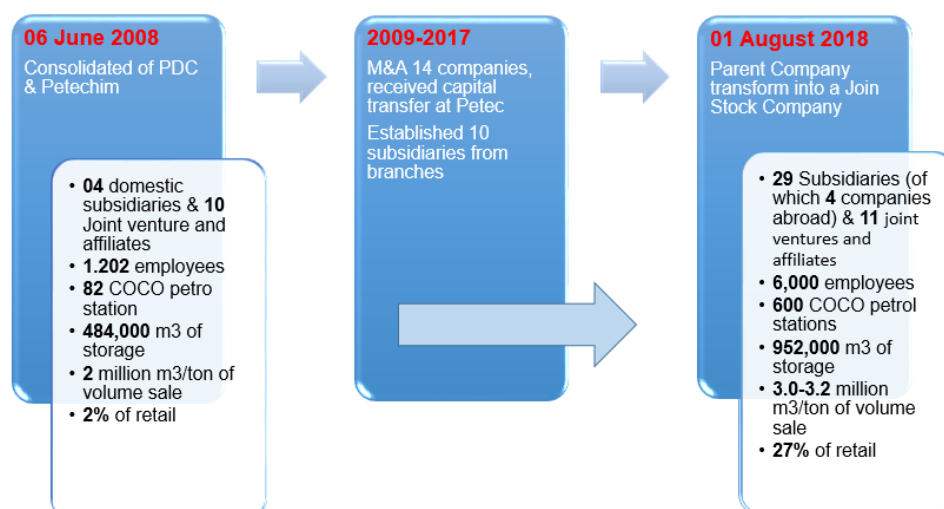
2. Establishment and Development history

PetroVietnam Oil Corporation (PVOIL) is a subsidiary of Vietnam Oil and Gas Group ("PetroVietnam"/"PVN"), established pursuant to Decision No. 1250/QD-DKVN dated June 6, 2008 of the Board of Members of PetroVietnam, by the merger of PetroVietnam Trading Company (Petechem) and PetroVietnam Oil Processing and Distribution Company (PDC).

PVOIL is the sole unit of PVN to participate in the downstream sector of the oil and gas industry, especially in importing & exporting, trading crude oil & blending, storing and distributing oil products.

Throughout nearly 12 years of operation under PVOIL brand, PVOIL has continuously expanded its domestic and international network through mergers and acquisitions. PVOIL has also continually restructured, rearranged and reformed itself with a view to optimizing the company's structure, concentrating on core activities to increase operational efficiency.

Historical milestones in the process of establishment and development of PVOIL are as follows:



3. Business segments, facilities & location

1.1. Business segments



International trading of crude oil and petroleum products



Retailing and distribution of petroleum products



Processing of petroleum lubricants

Entrusted import and export of crude oil and international oil trading

PVOIL is the only company in Vietnam that conducts marketing and provides services for the export/sale of domestic crude oil and the crude oil of PetroVietnam or its subsidiary exploited in the blocks overseas with an average quantity of 15 million tons per year. With 36-year operation in this sector, PVOIL has safely and effectively sold a total of nearly 370 million tons of crude oil.

PVOIL also supplies all crude oil feedstock for Dung Quat Refinery with an average quantity of 7 million tons per year from domestic sources and imports upon request.

Petroleum, lubricant and biofuel production

Petroleum production: PVOIL produces and blends petroleum with a capacity of 600,000 m³ petroleum produced from domestic condensate sources of PetroVietnam. The gasoline produced are used for E5 RON 92 biofuel blending.

Biofuel production: Implementing the Government's directives on developing biofuel, PVOIL has invested in three mixing plans to produce biofuel (ethanol - E100) in Binh Phuoc, Quang Ngai and Phu Tho provinces, with a capacity of 100,000 m³ of E100/year per factory. Two biofuel factories at Binh Phuoc and Quang Ngai are now ready for production under the direction of authorities when the market is favorable. In terms of Phu Tho biofuel plant, it has not yet completed construction and has been suspended due to difficulties in raising capital process. PVOIL is currently restructuring factories under the Project 1468/QD-TTg dated September 29, 2017 and Action Plan No. 4269/QD-BCDDADNCT of November 14, 2017.

PVOIL owns E5 gasoline blending system nationwide with a total mixing capacity of over 1.5 million m³ of E5 gasoline/year. PVOIL currently distributes over 600,000 m³ of commercial E5 gasoline per year.

Lubricants production: PVOIL LUBE, a subsidiary of PVOIL, with a longstanding brand name inherited from VIDAMO - one of the first companies in Vietnam that produce and trade lubricants. PVOIL LUBE's products portfolio consists of more than 140 types of lubricants, which are produced from raw materials of high quality, mainly supplied to industrial customers and oil & gas operators. PVOIL LUBE is gradually expanding to retail customers through PVOIL's petroleum distribution network. PVOIL's lubricant products are manufactured at Binh Chieu factory (Ho Chi Minh City) with a capacity of 20,000 tons/year.

Petroleum distribution

PVOIL consistently maintains the second position, accounting for over 17% market share. In Laos, PVOIL Laos is the leader in terms of import volume, accounting for 20.5% market share, PVOIL Laos Trading is in the top 3 leading petroleum distribution enterprises.

During nearly 13 years of operation, through merger & acquisition (M&A) activities, PVOIL has strongly developed the distribution system nationwide and in Laos.

3.2 Location and distribution system

Domestic: PVOIL possesses a petroleum distribution network in 64/64 provinces and cities nationwide with more than 1,800 petroleum stations, of which there are 600 petroleum stations directly managed and operated by PVOIL (COCO) and 1,200 petroleum stations that operated by dealers/agents/franchisees (DODO).

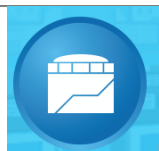
Overseas:

- **In Laos**, PVOIL Laos Trading operates a distribution network in 16 of 18 provinces/cities with 125 petroleum stations.
- **In Singapore**, PVOIL Singapore specializes in international trading of crude oil and petroleum products.
- **In Cambodia**, PVOIL has a subsidiary called PVOIL Cambodia, that conduct a feasibility study on an investment project of building a condensate processing plant.

3.3 Business facilities



- 600 COCO petroleum stations located in 56 provinces/cities.
- 125 petroleum stations in Laos.

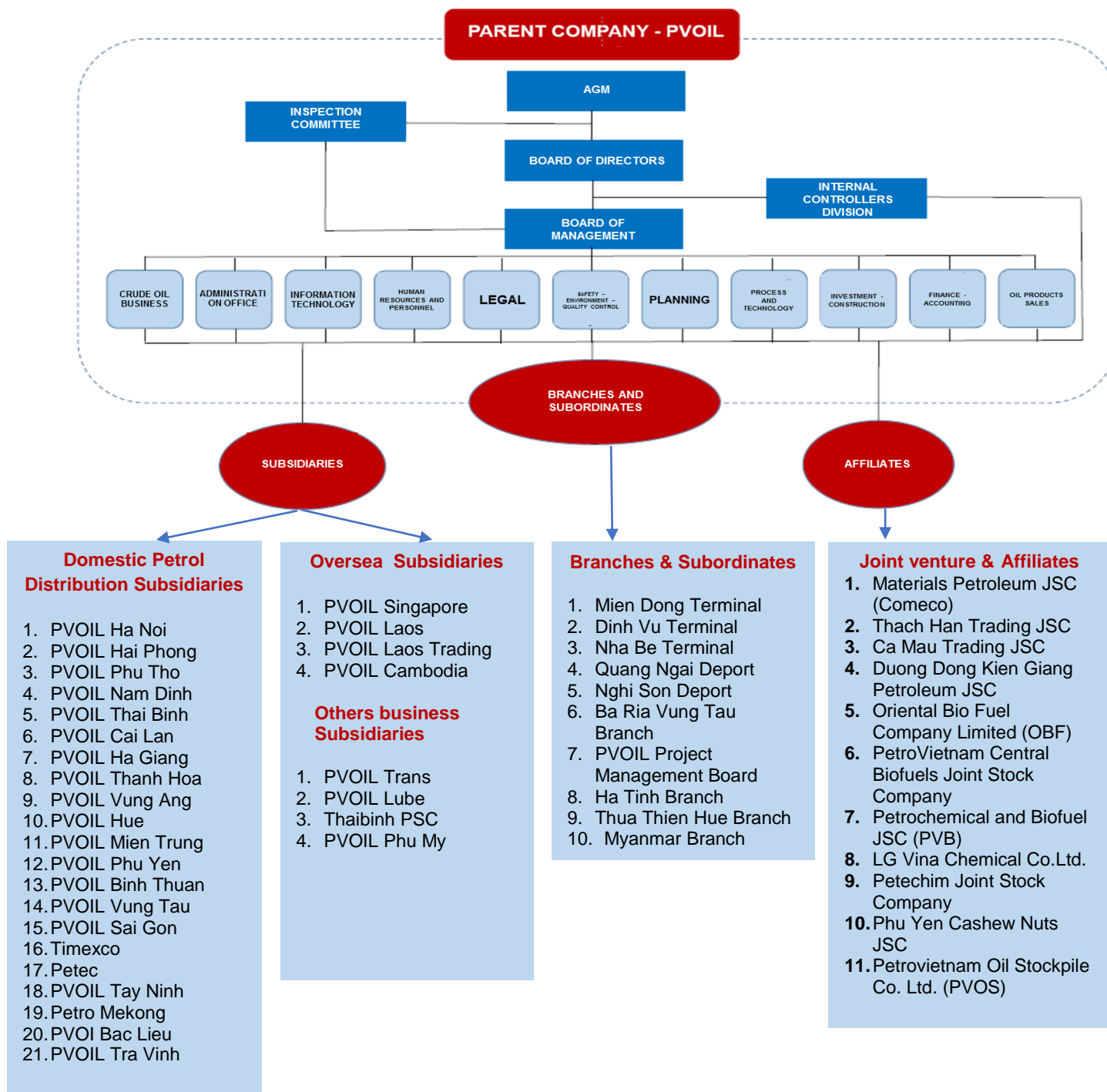


- 30 petroleum terminals/depots nationwide with a total capacity of 952,000 m³, which is far enough to support petroleum distribution business in next 5-7 years.
- In Laos, PVOIL owns 7 petroleum depots with a total capacity of over 6,800 m³.



- PVOIL owns tank trucks fleet of 125 vehicles with a total capacity of over 2,000 m³ and 7 barges with a total capacity of 4,000 m³. This can meet approximately 50% of the internal transport needs of PVOIL and its agents

4. Corporate governance model



5. List of subsidiaries, joint ventures and affiliates of PVOIL

- List of subsidiaries: For details, please refer to the audited financial statements (page 15)
- List of joint ventures and affiliates: For details, please refer to the audited financial statements (page 16)

6. Board of Management and Board of Directors

6.1. Board of Management

PVOIL's BOM structure was approved by the first General Meeting of Shareholders (July 30, 2018), including 07 members, 02 of which are independent members.

Mr. CAO HOAI DUONG

Chairman of Board of Management

Date of birth: January 30, 1972

Qualifications: Master of Techno-Chemistry

Working experience: He has nearly 28 years of contributing for the development of the oil and gas industry after graduating with an MBA degree in Australia. Took positions from senior experts and executives to manage and operate in important units of the OIL and Gas industry such as: Vice CEO of Nghi Son Refinery Joint Venture, CEO of PetroVietnam Fertilizer and Chemicals Corporation (Phu My Fertilizer Corp.). With sharp strategic thinking and extensive knowledge in many fields, he affirmed his experience, prestige, and role through each position with many important contributions. In January 2016, he was assigned by Vietnam Oil and Gas Group to PetroVietnam Oil Corporation - One Member Limited Company to hold the position of Board Member cum Chief Executive Officer of PVOIL. He continued to hold the position of Board Member cum Chief Executive Officer of PVOIL of PetroVietnam Oil Corporation - Joint Stock Company from August 1, 2018 to September 23, 2021. He was trusted by the BOM to hold the position of Chairman of the BOM of PVOIL from September 23, 2020 until now.

He currently holds 284,667,029 shares of PVOIL. In which, 284,661,929 shares are capital representatives of PetroVietnam Group and 5,100 shares are his own ownership.

Mr. DOAN VAN NHUOM

Board of Management Member cum Chief Executive Officer

Date of birth: November 07, 1963

Qualifications: Geotechnical Engineer

Working experience: He has 34 years of contributing for the development of the oil and gas industry. Took positions from senior engineer to manage and operate in important units of the OIL and Gas industry such as CEO of Southern Gas Trading JSC, CEO of Petrovietnam Fertilizer & Chemicals Corporation (PVFCCo), Chairman of BOM of Petrovietnam Transportation (PV Trans). he used to be Deputy CEO of Petroleum Distribution Company (PDC) - the predecessor of PVOIL and former General Director of PVOIL from October 2014 to December 2015. With extensive experience in the petroleum business, In September 2020, he was assigned by Vietnam Oil and Gas Group to PetroVietnam Oil Corporation to hold the position of Chief Executive Officer. In January 2021, he was elected by PVOIL's Extraordinary General Meeting of Shareholders in 2021 as a member of the Board of Management of the Corporation.

Mr. Doan Van Nhuom is holding 237,872,785 shares representing the capital of Vietnam Oil and Gas Group in PVOIL and has no private ownership shares.

Mr. TRAN HOAI NAM**Board of Management Member of PVOIL (part-time member)****Vice President of Vietjet Air**

Date of birth: August 14, 1965

Qualification: Master of Industrial Management

Working experience:

With management and operating experience at big companies (such as Vietnam Metrology Institute, Citibank Vietnam, Vietnam International Commercial Joint Stock Bank, Ho Chi Minh City Development Bank, PetroVietnam Trading Joint Stock Company - PETECHIM, VietJet Aviation Joint Stock Company, ...), he was elected by the first Annual Shareholders General Meeting of PetroVietnam Oil Corporation - Joint Stock Company as a member of the Board of Management (non-executive) from August 1, 2018 to present.

Mr. LE VAN NGHIA**Board of Management Member**

Date of birth: July 5, 1966

Qualifications: Bachelor of Accounting

Working experience:

He has many years of experience in managing and supervising corporate finance and risk management before joined PetroVietnam Group. Joining PetroVietnam Oil Corporation since February 2011, he took turns holding positions such as Deputy, Head of Internal Supervision Board, Member of Board Members of PetroVietnam Oil Corporation - One Member Limited Company. He continued to be a member of PVOIL's Board of Management after PVOIL switched to operate under the joint stock company model from August 1, 2018 to now.

Mr. Nghia currently holds 155,135,025 shares in PVOIL. In which, 155,134,425 shares are capital representatives of PetroVietnam Group and 600 shares are his own ownership.

Mr. NGUYEN MAU DUNG**Board of Management Member**

Date of birth: January 02, 1968

Qualifications: Master of business administration

Working experience: Joining PetroVietnam Group 30 years ago, Mr. Nguyen Mau Dung has held many important management positions in major units and parent company of Vietnam Oil and Gas Group such as: Deputy CEO of PetroVietnam Construction JSC (PVC), Deputy CEO of PetroVietnam Gas JSC (PV GAS), Director of Trading Division of PetroVietnam group. In January 2021, he was assigned by Vietnam Oil and Gas Group and was elected by PVOIL's Extraordinary General Meeting of Shareholders in 2021 as a member of the Board of Management of the Corporation.

Mr. Dung is holding 155,134,425 shares representing the capital of Vietnam Oil and Gas Group in PVOIL and has no private ownership shares.

Mr. HANG ANH MINH**Independent Board of Management Member**

Date of birth: November 10, 1975

Qualifications: Master of Project Management

Working experience:

He has 24 years of experience in the Oil and Gas industry and held important positions such as Deputy Head of Investment at PetroVietnam Group, Deputy CEO of PETEC Trading and Investment Corporation (PETEC). From August 1, 2018, he has been trusted by the Annual General Meeting of Shareholders and elected as an independent board member of the Board of Management of PetroVietnam Oil Corporation – Joint Stock Company.

Currently, he does not have a stake in PVOIL.

Mr. LE NGOC QUANG**Independent Board of Management Member**

Date of birth: March 21, 1966

Qualifications: Master of Business Administration

Working experience:

He has 29 years of working in the oil and gas industry in many different positions, with deep knowledge and experience in the fields of trade, project management His prestige, experience and positive contributions in the oil and gas industry are the basis for the General Meeting of Shareholders to trust and elected him to be an Independent Board Member of the Board of Management of PetroVietnam Oil Corporation - Joint Stock Company from August 1, 2018 to present.

Currently, he does not have a stake in PVOIL

6.2. Board of Directors**Mr. DOAN VAN NHUOM****President and Chief Executive Officer**

Date of birth: November 07, 1963

Qualifications: Geotechnical Engineer

Working experience: He has 34 years of contributing for the development of the oil and gas industry. Took positions from senior engineer to manage and operate in important units of the OIL and Gas industry such as CEO of Southern Gas Trading JSC, CEO of Petrovietnam Fertilizer & Chemicals Corporation (PVFCCo), Chairman of BOM of Petrovietnam Transportation (PV Trans). Mr. Nhuom has many years working at PVOIL, he used to be Deputy CEO of Petroleum Distribution Company (PDC) - the predecessor of PVOIL and former General Director of PVOIL from October 2014 to December 2015. With extensive experience in the petroleum business, In September 2020, he was assigned by Vietnam Oil and Gas Group to PetroVietnam Oil Corporation to hold the position of Chief Executive Officer. He was elected by PVOIL's Extraordinary General Meeting of Shareholders in 2021 as a member of the Board of Management of the Corporation in January 2021.

Mr. Doan Van Nhuom is holding 237,872,785 shares representing the capital of Vietnam Oil and Gas Group in PVOIL and has no private ownership shares.

Mr. NGUYEN ANH TOAN**Vice President**

Date of birth: September 17, 1962

Qualifications: Master of Business Administration

Working experience: Joining the oil and gas industry since 1996, he took positions of deputy/head of Petroleum Sales Department of Petec Trading and Investment Corporation Company, Head of Petroleum Products of Corporation before being appointed to the position of Deputy CEO of PetroVietnam Oil Corporation - One Member Limited Company from June 2011. From August 1, 2018, he has continued to participate in managing and operating PetroVietnam Oil Corporation - Joint Stock Company in the position of Deputy CEO.

He currently owns **1,700 shares** in PVOIL.

Mr. VO KHANH HUNG**Vice President**

Date of birth: September 28, 1965

Qualifications: Master of Business Administration

Working experience: With long working experience with Petechim - the predecessor of PVOIL right from the early days of establishment (August 1992), Mr. Hung is one of the outstanding person of dedication in every step of PVOIL's development. During nearly 27 years working in PVOIL, he successfully completed all assigned tasks. He was appointed to the position of Deputy CEO of PetroVietnam Oil Corporation from June 2008 and continued to hold this position when PVOIL switched to operate as a Joint Stock Company from August 1, 2018.

He currently owns 2,200 shares in PVOIL.

Mr. LE XUAN TRINH**Vice President**

Date of birth: January 16, 1961

Qualifications: Master of Business Administration

Working experience: With long working experience in the oil and gas industry right from the early years of the 90s in senior management positions, Mr. Trinh was one of the people who contributed positively in the process of building and developing Vietnam Oil and Gas industry. He has held important positions in major oil and gas companies in Vietnam PTSC, Idemitsu, PVTSC, PV Gas. From December 2006 to June 2008, he was a member of the Member Council cum Deputy CEO of Petroleum Products Processing and Trading Company Limited (PDC) - the precursor unit of PVOIL. From July 2008, he was appointed by PVOIL to hold the position of Deputy CEO of PetroVietnam Oil Corporation - One Member Limited Company and continued to hold this position after PVOIL switched to operate under the model of Joint Stock Company until now. He will retire from May 01, 2021.

He currently owns 3,000 shares in PVOIL.

Mr. NGUYEN TUAN TU**Vice President**

Qualifications: Master of Business Administration

Date of birth: March 30, 1972

Working experience: He has nearly 29 years of experience working in the oil and gas industry, holding many management positions in the field of finance and accounting. Joining PetroVietnam Trading Joint Stock Company (Petechem) - predecessor of PVOIL since May 2006 as Chief Accountant. From June 2011, he was appointed as Deputy CEO of PetroVietnam Oil Corporation - One Member Limited Company. Currently, he is continuing to promote his role and duties in this position when PVOIL switched to operate under the Joint Stock Company model since August 1, 2018.

He currently owns 1,000 shares in PVOIL

Mr. NGUYEN DANG TRINH

Vice President

Date of birth: July 20, 1982

Qualifications: Bachelor of Business Finance

Working experience: He has nearly 15 years of experience in the Oil and Gas industry, in the field of finance and accounting. He was trusted and appointed as Chief Accountant of PVOIL since December 2014 and has contributed to the process of completing accounting management at PVOIL. From August 1, 2018, he has been continuing to be the Chief Accountant of PetroVietnam Oil Corporation - Joint Stock Company. He was appointed as Deputy CEO of PetroVietnam Oil Corporation from June 2019.

Currently, he does not have a stake in PVOIL.

Mr. VU HOAI LAM

Vice President

Date of birth: April 22, 1971

Qualifications: Master of Commercial Economics

Working experience: With many years of working experience at prestigious international organizations, in May 2011 he was appointed by PetroVietnam Group to hold the position of Deputy CEO of PetroVietnam Oil Corporation - One Member Limited Company. He continued to hold this position after PVOIL switched to operate under the model of Joint Stock Company - from August 1, 2018 until now.

Currently, he does not have a stake in PVOIL.

Mr. NGUYEN NGOC NINH

Chief of Accountant

Date of birth: October 07, 1975

Qualifications: Bachelor of Accounting & Financial University

Working experience: He has nearly 18 years of experience in the Oil and Gas industry, in the field of finance and accounting. He used to hold various positions as Finance and Accounting Manager, Investment Manager, and Transaction Manager of PetroVietnam Financial JSC before joining PVOIL in November 2011 as a Deputy Director of Accounting & Financial Division. In October 2017, he was appointed as director of Internal Control Division of PVOIL. With competence and experience in financial management, accounting, auditing and debt management, from September 9, 2019, he has been appointed and held the position of Chief Accountant of the Corporation.

Currently, he does not have a stake in PVOIL.

7. Development direction

PVOIL has been consistent with the development orientation of the Corporation based on the following views:

- ☞ In accordance with the development strategy of the Parent Company – PetroVietnam; Focusing on the main activities of exporting/selling crude oil and producing and distribution oil products.
- ☞ Continuing to develop the distribution system; improving the efficiency of use of the invested facilities.
- ☞ Develop in a stable, sustainable, safe and effective manner; associating production and business activities with environmental protection and towards the common interests of the whole society.
- ☞ Constantly perfecting the management model; accelerate the application of IT, automation and advanced management model to achieve higher efficiency.

Development objectives for the period 2020-2025

❖ **Overall objectives**

- ✓ PVOIL is the only company that conducts marketing and provides services for the export and trading of crude oil of PetroVietnam and provides crude oil raw materials for Dung Quat Refinery from domestic sources.
- ✓ Growth of average sales volume is 6% per year, keeping market share stable.

❖ **Detail goal**

- ✓ Sales volume by 2025 will reach 3.8-4.0 M m3/ton; retail sales volume will reach 1.2 M m3/ton; retail rate will reach 30-31%
- ✓ Average profit before tax/Charter capital of 6%

Completing the equitization process and switching to operate under a joint stock company model from the beginning of August 2018, PVOIL continued to accelerate the divestment of State to under controlling stake according to the direction of the Government, with the aim of choosing a large shareholder with enough stature, capacity and experience to accompany PVOIL to develop breakthrough after equitization. In the transition period expected to last until the end of 2023), when the State has not completed the divestment, PVOIL sets a stable development target, focuses on innovating fundamental factors as a premise for future development process

7.1. Production and business activities



Entrusted export/sale of crude oil and international oil trading Doing well the authorized role to undertake export of crude oil business; supplying crude oil feedstock for Dung Quat Refinery from domestic sources upon request as well as promoting international oil business activities.



Petroleum, lubricant and biofuel production: Deploying biofuel blending to meet market demand and in line with the Government's schedule; diversifying and improving the quality of PVOIL LUBE brand lubricants.



Petroleum distribution: Keeping market share and distribution system stable; Increasing petroleum production volume (especially retail and industrial sales volume) and promoting the development of non-oil services in petrol stations;

7.2. Corporate restructuring and innovating

Restructuring business innovation is a key task of PVOIL during this period with the restructuring of petroleum distribution subsidiaries and implementing the state divestment at the parent company. PVOIL expects to complete the equitization settlement and divest the State capital to reduce stake to under controlling stake before the end of the year 2023.

7.3. Improvement of corporate governance and development of human resources

Strengthening the management and development of human resources is focused through the following solutions:

- ✓ Continuing to transform towards a modern, transparent, and professional governance in accordance with international standards and apply science and technology, digitalization, automation in production and customer service.
- ✓ Focusing on training and developing high quality human resources to meet the long-term goals of PVOIL.

8. Risks

Interest rate risk: Interest rates are an important financial indicator that significantly affects PVOIL's operations due to part of its working capital and investment as loans. In 2020, short-term lending rates in the market fluctuated between at 6-9%. However, with a good cash flow and high trust with banks, PVOIL always manages to arrange loans with preferential interest rates, helping to reduce operating costs

Exchange rate risk: As an importer of petroleum, PVOIL is affected by exchange rate fluctuations. PVOIL has applied futures trading to limit risks. However, from the end of 2018, the supply from 2 domestic Refineries has met 70-80% of domestic demand, the amount of imported petrol and oil decreased sharply, helping PVOIL to be less affected by exchange rate risks.

Oil price risk: The price of crude oil and petrol in the world is constantly fluctuating, unpredictable, complicated and depends on many factors such as geopolitical situation; Economic situation in countries like USA, China, Europe; changes in global demand and supply as well as financial and market sentiment. In response, PVOIL pays special attention to analyzing, forecasting, closely monitoring market movements and having flexible operating policies.

Policy risk related to Government's control on petroleum price: Business activities of the Company are closely related to the global crude oil price and petroleum price. The Government's management of petroleum distribution sector in last 4 years has shown signs of

improvement in transparency and market access, but there are still some shortcomings, potential risks for enterprises (such as: maintaining 15-day adjustment period, 30-day compulsory inventory, using other regulatory tools such as stabilization fund and import tax; setting cost norms and profit norms in the petroleum distribution)

Risk of fire and explosion, environmental pollution: Petroleum distribution is an industry with high risks of fire, explosion, environmental pollution, etc. When an incident occurs, it will cause serious consequences to the business activities of the enterprise. In order to limit and control this particular risk, PVOIL has been equipped with fire prevention and fighting system in accordance with regulations, organizing fire fighting forces at sites, hiring specialized units to implement petroleum flood prevention and control solutions, and purchased all forms of asset risk insurance and fire insurance....

Legal risks: As a public joint-stock company, PVOIL's business activities are governed by legal documents stipulated by the Government, including the Enterprise Law, the Securities Law and other legal documents. related to the activities of PVOIL.

To minimize the risks arising related to legal factors in the process of operation, PVOIL always monitors and updates relevant legal documents in the system and consult and hire legal consultant for issues that are beyond the execution capabilities of PVOIL.

Other risks: In addition to the risks mentioned above, PVOIL's operations can be affected by natural disasters such as earthquakes, epidemics, floods, etc. which may cause damage to its assets as well as affect the business operations of PVOIL. Covid-19 pandemic is raging all over the world, causing a sharp decrease in demand of petrol gasoline consumption. The price of crude oil and petrol products fell to its lowest level and fluctuated abnormally, seriously affecting the operation of major distributors including PVOIL.

PART 2

CORPORATE GOVERNANCE

1. Board of Management (BOM)

1.1. Members and structure of Board of Management

Please see Section 6.1, Part I of this report

1.2. The subcommittees under Board of Management

Board of Management does not establish any subcommittees

1.3. Activities of Board of Management in 2020

- ✓ BOM operates in accordance with the functions, duties and powers stipulated in the Corporation's Charter and the Law on Enterprises, Resolution of the General Meeting of Shareholders and the current status of the Corporation to lead all aspects of the Corporation's activities.
- ✓ In 2020, BOM implemented the contents approved by the General Meeting of Shareholders, ensuring production and business activities aligning with plan. During the year, BOM conducted 12 meetings, issued 101 resolutions to manage/direct Corporation's activities in all aspects; monitored and supervised the implementation of resolutions/decisions/minutes of the General Meeting of Shareholders.
- ✓ BOM has always worked with high sense of responsibility, responded quickly and promptly reviewed the issues or proposals, recommendations of BOD to issue resolutions and decisions in accordance with its authority. The resolutions and decisions of BOM were issued based on the affirmative opinion forms from the majority

of the members, in compliance with provisions of the Corporation's Charter and the Law on Enterprises.

- ✓ By the end of 2020, BOM seriously reviewed and evaluated the leadership, direction as well as implementation results of the BOM's functions and duties; evaluated the results of operating activities; reviewed on overcoming limitations and shortcomings concluded or pointed out by competent authorities in the previous reviews.

BOM meetings in 2020

No	Date	Attendees	Content	Result
1	June 05, 2020	5/5	Reviewing the preparation work of the 2020 Annual General Meeting of Shareholders	5/5 members approved
2	July 20, 2020	4/5 attended, 1 submitted ballots	Assigning member in-charge of BOM operations	5/5 members approved
3	August 05, 2020	4/5 attended, 1 submitted ballots	Business operations at PVOIL Nam Dinh and PVOIL Phu Tho	5/5 members approved
4	August 11, 2020	5/5	1. Cooperation agreement with Sovico 2. Resolve disputes with Gunvor	Discussion
5	September 16, 2020	5/5	Key personnel of PVOIL	5/5 members approved
6	September 16, 2020	5/5	Liquidation of land lot Km4 of PVOIL Laos	Discussion
7	September 23, 2020	5/5	Appointing President & CEO of PVOIL	5/5 members approved
8	October 07, 2020	5/5	1. Plan to organize Extraordinary General Meeting of Shareholders 2. Assignment of duties in BOM	5/5 members approved
9	October 15, 2020	5/5	1. Updating PVOIL's 5-year plan, strategies to 2035 and vision to 2045 2. Remuneration and attracting talents of PVOIL	Discussion
10	October 28, 2020	5/5	1. Reviewing the management process and regulations of the Corporation 2. Internal audit according to Decree 05 3. Risk minimizing solutions related to declaration and payment of taxes/fees. 4. Strengthening controls in at affiliates under special financial supervision	Discussion
11	November 02, 2020	4/5	1. Selection of a transportation service provider. 2. Approving of PVOIL Lao Trading's financial statements 3. Amendment and supplement plans for 2020 and 2021 4. Restructuring member units	<ul style="list-style-type: none"> ○ Content 1: 3/5 members approved; ○ Content 2: 5/5 members approved; ○ Content 3 and 4: Discussion
12	November 20, 2020	5/5	Discussion on plan to overcome special financial supervision status for subsidiaries	Discussion

1.4. Activities of the Board of Management independent members

PVOIL's BOM structure was approved by the first General Meeting of Shareholders (July 30, 2018), including 7 members, 02 of which are independent members. Duties of independent members are as follows:

- ☑ Mr. Hang Anh Minh: Supervising the planning and investment aspects in the whole system and operations of 9 PVOIL subsidiaries.
- ☑ Mr. Le Ngoc Quang: Supervising the technical, engineering, manufacturing and processing aspect in the whole system and operations of 10 PVOIL subsidiaries.

In 2020, the independent members of BOM carried out the duties and missions assigned by the General Meeting of Shareholders; participated regularly in meetings and provided opinions, independently voted on matters subject to decision by the BOM; participated in monitoring and directing activities of BOD in accordance with the task assignment of the BOM.

1.5. The list of members of the Board of Management possessing certificates on corporate governance. The list of members of the Board of Management participating in corporate governance training programs in the year.

PVOIL didn't organized any corporate management training for BOM members in 2020.

2. Board of Supervisors (BOS)

2.1. Information on members of Board of Supervisors

No.	BOS members	Position	Qualification	Share ownership ratio
1	Nguyen Duc Ken	Chairman of BOS	Bachelor of Finance – Banking	0
2	Tran Thi Phuong	Supervisor	Master of Business Administration, Certificate of Accountant	9.000
3	Pham Thanh Son	Supervisor	Master of Business Administration	0

2.2. Activities of the Board of Supervisors

In 2020, the Board of Supervisors duly and sufficiently performed supervision tasks according to the plan assigned by the 2020 AGM; complied with the supervision requirements stipulated in the Law on Enterprises and the Corporation's Charter, performed regular supervision as required by major shareholder Vietnam Oil & Gas group.

All supervision works were performed regularly, consistently and systematically, via direct and indirect methods through review of daily documents, regular and irregular reports of the Corporation and subsidiaries; information provided by the BOD; results of inspection and audit from state authorities and higher management; direct inspection at some branches.

During the year, the Board of Supervisors attended 9/12 BOM meetings and several BOD meetings.

With necessary level of prudence, after discussion, the Board of Supervisors have provided some advices, warnings and recommendations on outstanding issues in administration and operation of the Corporation.

The Board of Supervisors organized 3 meetings in 2020, at the same time regularly exchange internally to reach agreement on contents of regular and irregular reports. Details of the meetings as follows:

No.	Date.	Attendees	Contents	Results
1	April 15, 2020	3/3	Approving “Appraisal report on PVOIL’s 2019 financial statements”	3/3 members approved
2	May 20, 2020	3/3	Approving materials for submission to 2020 Annual General Meeting of Shareholders	3/3 members approved
3	November 17, 2020	3/3	Approving “Appraisal report on PVOIL’s financial reports for the first 9 months of 2020”	3/3 members approved

❖ **Summary of 2020 supervision results**

Production and business activities: During the year, despite serious impacts by the Covid-19 pandemic and plummeting global oil prices, the Corporation strived to carry out business operations to achieve results as detailed in the report of BOD at part III of this Report.

Restructuring and revamping of the Corporation: was particularly focused on and promoted to align with the orientations approved by the 2020 AGM.

Corporate governance: The Corporation issued and regularly updated the system of regulations for business administration purposes and in accordance with provisions on corporate governance of public listed companies.

Finance and Accounting: Financial statements accurately reflected the financial status and business performance of the Corporation. The Corporation prepared and filed the reports in accordance with Government’s regulations; reported and disclosed periodic information to State Securities Commission and Stock Exchange in accordance with regulations.

Supervision results of the BOM: The BOM sufficiently executed the contents in the resolution of the Annual General Meeting of Shareholders, regularly monitored, directed, supervised the implementation of the resolutions/decisions/directives and the Corporation’s operations, actively directed, supervised, supported and accommodated for the BOD to effectively administer the business operations and generally achieved the KPIs assigned by the AGM. The BOM worked with a sense of responsibility and transparency in management, regularly organized meetings and collected written opinions to make decisions.

Supervision results of the President & CEO: The President & CEO directed PVOIL's Divisions/branches and subsidiaries to earnestly implement the Resolutions/Decisions/Directives of the Corporation's BOM; organized the management, administration of business operations within the scope of decentralization decided by the BOM. The President & CEO earnestly explained and resolved the recommendations of State Auditors, General Department of Taxation, Customs authorities in the 2020 inspection records.

Evaluation of the coordination among BOM, Board of Supervisors and Board of Directors: The Board of Supervisors closely coordinated with Board of Management and Board of Directors in performing the assigned functions and missions. The Board of Management and Board of Directors made necessary accommodation, provided relevant information and documents and dedicated personnel to assist the Board of Supervisors in performing its missions. The Board of Supervisor was invited to important meetings of the BOM/ Board of Directors, moreover the BOM/ Board of Directors regularly exchanged with Board of Supervisors to figure out solutions to resolve problems and challenges in administration.

3. Transactions, remunerations and benefits of the BOM, BOD, BOS and other managers

3.1. Salary, rewards, remuneration and benefits

No.	Title	Amount	Plan	Actual	Compare to the plan
I	Board of Management	06	5.926	4.469	78,5%
1	Chairman of the Board (*)	01	1,073	786	73,3%
2	CEO cum Member of the Board	01	1,073	967	90,1%
3	Full-time Member of the Board (**)	03	3,600	2,716	75,4%
4	Part-time Member of the Board	01	180	180	100%
II	Board of Supervisors	3	2.423	2.185	90,2%
1	Chairman of the Board	1	900	812	90,2
2	Member of the Board	2	1,523	1,373	90,2
III	Board of Directors and other managers	7		5,617	
1	Vice Presidents	6		4,869	
2	Chief Accountant	1		748	
IV	Total	16		12,452	

(*) Lack of personnel from June 16, 2020 to September 23, 2020

(**) 01 member resigned on June 5, 2020

3.2. Share transactions by internal shareholders

None

3.3. Contracts or transactions with internal shareholders

None

3.4. Assessing the Implementation of regulations on corporate governance

The Corporation sufficiently complied with provisions of law on corporate governance of public listed companies:

- ✓ Organized General meetings of shareholders in accordance with provisions of law and the Corporation's Charter.
- ✓ Board of Management and Board of Supervisors were provided with sufficient human resources, operated within the prescribed duties and missions.
- ✓ Fully and timely performed all obligations in disclosing regular and extraordinary information of public listed companies.
- ✓ Board of Management sufficiently issued and regularly updated the regulations on corporate governance.
- ✓ Sufficiently and timely prepared Annual reports and Management reports applicable to large-scale public listed company.

PART III

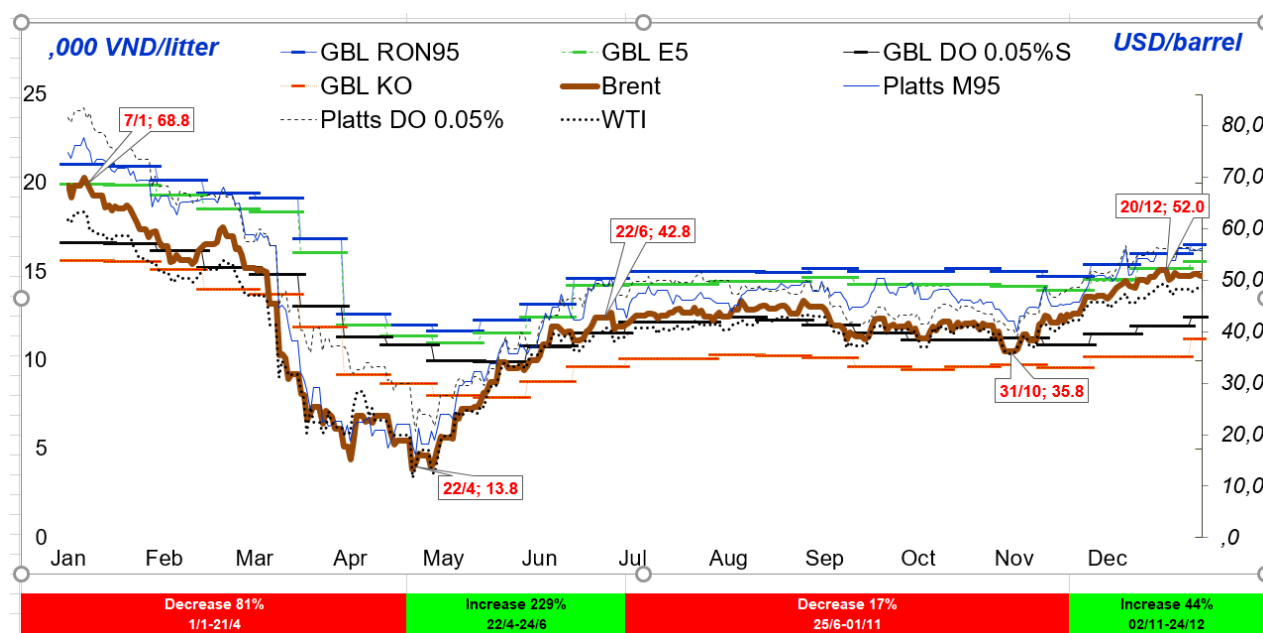
BUSINESS PERFORMANCE IN 2020

1. Background

In 2020, the world turned upside down due to the Covid-19 pandemic, the highly contagious virus with complicated developments left negative impacts on all socio-economic aspects on a global scale. After years of continuous growth, global GDP declined by 3.7% from the previous year.

The Covid-19 pandemic caused petroleum demand to decline significantly, global oil prices to move complicatedly, increasing and decreasing sharply and rapidly. In particular, for the first time in history, on April 20, 2020, prices of WTI oil futures crashed to negative (-37.63 USD / barrel). At the same time, price of Dtd Brent oil also dropped to USD 13.2/barrel, losing 80% value compared to beginning of the year, the lowest in 18 years.

Movement of global oil prices and State-administered retail prices during the year were as follows:



Average price of Brent DTD crude oil for the year was USD 41.67/barrel, decreased by 35% (USD 22.64/barrel) compared to 2019 (USD 64.3/barrel) and equaled to 69% of our forecast (USD 60/barrel). Prices of oil products on international markets moved in correlation, average prices declined by 29-38% compared to 2019 averages.

In Vietnam, thanks to good measures of disease control and benefits from the global supply chain shift of developed countries, the economy maintained positive growth at 2.91% for the year, among the countries with highest growth in the world.

Regarding the petroleum business sector, the Government continued market administration according to Decree No. 83/2014/ND-CP: adjusting prices every 15 days, maintaining operation of the price stabilization fund... Retail petroleum prices in Vietnam moved slower but also fluctuated sharply in correlation with global prices, decreased by 23% compared to the previous year. Domestic demand for petroleum declined by approximately 10% compared to 2019 (according to the 2020 Summary report of Vietnam Petroleum Association).

Supplies from Dung Quat and Nghi Son refineries met approximately 70% of domestic

demand, however, at some points during the year, the operation of Nghi Son refinery was unstable, causing short supply. The problem of substandard petroleum products, oil and gasoline of unknown origin was still complicated.

The domestic petroleum market experienced a year full of fluctuations and irregularities: demands plummeted, retail prices dropped to its 13-year low, and market discounts were complicated, sometimes extremely low but at times reaching record high...

Facing the unprecedented double effects of the Covid-19 pandemic and the decline in global oil prices, PVOIL drastically deployed response solutions to minimize negative impacts on business operations of the Corporation, including 3 main solution groups:

- i) Business solutions: Focusing on close control of inventory; striving to maintain and stop the decline in outputs; Optimizing business efficiency through all stages of preparation, transportation, delivery, and storage;
- ii) Cost reduction solutions: Developing and implementing detailed cost reduction scenarios with 10-13-16% cost reduction from plan, corresponding to the scenarios of 10-20-30% output decline; and
- iii) Covid-19 disease control solutions.

2. Business performance

2.1. Production targets

Separate results for each segment are as follows:

Unit: 1000 m3/ton

No.	KPI	2019 Actual	2020		Compared to	
			Plan	Actual	YoY	2020 Plan
1	Crude oil export/sales (including supply to Dung Quat oil refinery)	11,052	8,890	9,380	85%	106%
2	Production of petroleum, lubricant	604	604	455	75%	75%
	<i>In which: E5 gasoline</i>	567	600	452	80%	75%
3	Petroleum trading	3,200	3,250	2,938	92%	90%
	<i>Retail proportion</i>	26.1%	27%	29.4%		

2.1.1 Import and export of crude oil

PVOIL safely and effectively sold the entire volume of crude oil of Vietnam Oil and Gas Group and other field owners with output reaching 106% of target and equivalent to 85% year-over-year. PVOIL sufficiently and promptly supplied 100% materials for Dung Quat oil refinery from domestic crude oil with output reaching 125.5% of the year's target.

2.1.2 Production of petroleum, lubricant

Production and preparation output of the year reached 75% of target and equivalent to 75% year-over-year, mainly E5 RON92 gasoline. E5 RON92 gasoline trading output decreased by 20% year-over-year due to the impact of the Covid-19 epidemic, consumers' lack of confidence on E5 RON92 gasoline while the difference in retail price compared to RON95 gasoline was

often below VND 1,000/liter in 2020, which was not attractive enough to consumers.

2.1.3 Retailing and distribution of petroleum products

In the challenging background of 2020, thanks to the efforts to synchronously apply solutions in order to prevent output decline and accelerate the application of 4.0 technologies and non-cash payment methods on the PVOIL Easy system, total petroleum trading output of the whole PVOIL system reached 2.94 million m³/ton, only dropped by 8% year-over-year, achieving 90% of the year's target. Retail channel through petrol stations owned by PVOIL continued to grow, increased by 0.7% in output year-over-year, accounting for 29.4% of total sales output. Sales output through PVOIL Easy increased by 44% compared to 2019.

2.2. Financial performance

No.	KPI	2019	2020		Compare to	
			Plan	Actual	YoY	Plan
I	Consolidated indicators					
1	Total revenue (*)	80,235	52,200	50,480	63%	97%
2	Cost of Goods	77,088		48,071	62%	
3	Gross Profit (**)	3,147		2,409	77%	
4	Costs	2,784		2,539	91%	
5	Total Profit before tax (***)	396	470	(111)	Negative	Negative
6	Profit after tax	325	376	(166)	Negative	Negative
7	Contribution to State budget	9,780	8,260	8,340	85%	101
II	Holding company					
1	Revenue	32,197	32,200	20,953	65%	65%
2	Profit before tax	315	350	(152)	Negative	Negative
3	Profit after tax	290	280	(149)	Negative	Negative

(*) Including net revenue from operating activities and financial activities

(**) Including gross profit from operating activities and financial activities

(***) Including profit from operating activities, profit/loss from affiliates and other profit

Consolidated revenue for the whole year reached VND 50,480 billion, achieving 97% of the year's target and equivalent to 63% year-over-year. PVOIL's revenue came from two main areas: petroleum trading (accounted for 60%) and international crude oil trading (accounted for 40%) - both plummeted year-over-year due to the impact of oil prices.

Consolidated gross profit reached VND 2,409 billion, decreased by VND 738 billion (23%) year-over-year, mainly due to the impact on inventories when oil prices plummeted.

Consolidated expenditures decreased by VND 246 billion (9%) year-over-year (of which administrative and sale expenses decreased by VND 171 billion), mainly due to PVOIL's thorough implementation of cost reduction solutions in challenging business conditions.

Profit before tax: Despite several measures to cope with the double effects of the Covid-19 pandemic crisis and the declining oil prices (preventing the overall decline in output and maintaining retail output; closely controlling inventories to minimize losses due to sharp decline in oil prices; minimizing costs), however with unprecedented challenges, PVOIL still suffered a consolidated loss of VND 111 billion and the Holding Company's loss was VND 152 billion

(mainly due to the provisions for financial investment in subsidiaries).

The consolidated contribution to state budget for the year reached VND 8,340 billion, achieving 101% of the year's target and equivalent to 85.4% year-over-year.

3. Organization and personnel

3.1. Introduction of Board of Directors

3.2. Changes in the Board of Directors

In 2020 PVOIL has the following changes in its personnel:

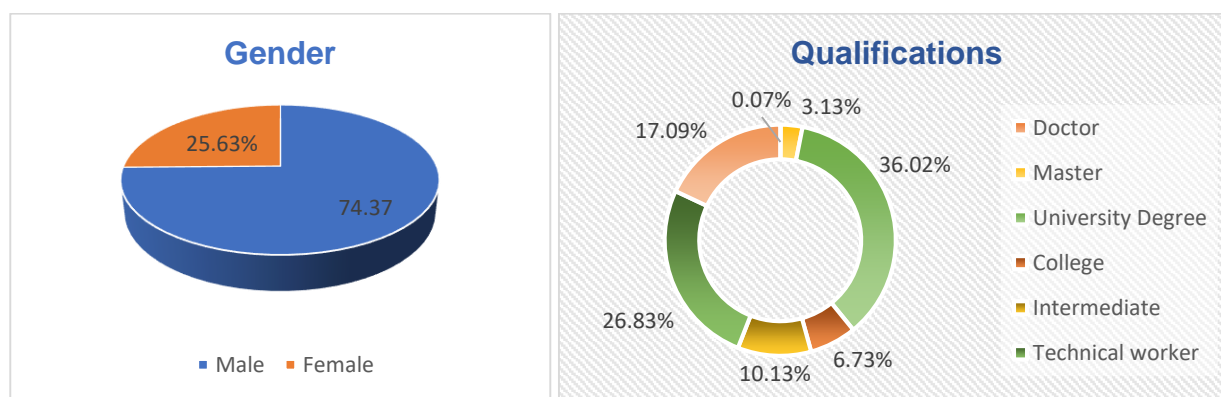
No.	Name	Position	Date of appointment, dismissal
1	Mr. Cao Hoai Duong	- Dismissed CEO position - Appointed as Chairman of BOM	September 23, 2020
2	Mr. Doan Van Nhuom	CEO	Appointed from September 23, 2020

3.3. Report on personnel, improvements in business organization and policies

3.3.1. Labor, salary

The total number of employees of PVOIL as of December 31, 2020 was 5,599 people. The average salary of the employee was VND 12.71 million/person/month;

Human resource structure:



3.3.2. Policy for employees

Salary policy

PVOIL has issued regulations relating to labor, wages, training, emulation and commendation... compliance with the regulations of the State, the parent company - PetroVietnam and the specifics of PVOIL.

- ✓ PVOIL ensures employment stability for employees, without cases of job suspension or job loss during the year. Employees are assigned jobs in accordance with their expertise and capabilities;
- ✓ Basically, PVOIL's employees are paid in accordance with the job title, capacity of each person, ensuring competition and fairness;

- ✓ The allowances are applied in accordance with the conditions, working environment and job characteristics of each position;
- ✓ Every year, PVOIL's parent company assigns KPIs to its employees in order to raise the awareness, responsibility and work efficiency of each individual / department. On that basis, set up a plan to train and develop human resources;
- ✓ PVOIL always strives to ensure stable income for employees to motivate them to continue to strive and contribute to the development of the Corporation. Specifically:
 - ✓ Insurance and health care policy: well implemented the regime of social insurance, health insurance and unemployment insurance in accordance with State regulations; Personal liability insurance - PVI Care, Accident Insurance...; Periodic health examinations for all employees, female employees ... at high quality health centers.
 - ✓ PVOIL holds periodic dialogues to listen and answer employees' opinions. Thereby, PVOIL also informed the employees of the Corporation's business situation as well as the Corporation's regulations and rules, funds for laborers.
 - ✓ Other welfare and benefits:


Other allowances :

- Lunch;
- Uniform;
- Birthday;
- Hazardous allowance, occupational safety and hygiene officers,...
- Others


Sightseeing, vacation:

Organize annual company trip for employees.


Activities:

Organize activities for employees and family to participate in such as: cultural, art and sports activities on the occasions such as New Year Eve.


Training policy:

The training activities and human resource development at PVOIL are in the service of maintaining and improving the quality of human resources and are leverages to achieve PVOIL's strategy.

In 2020, PVOIL conducted training for 13,049 turns at a cost of VND 8.3 billion.

Facing the effects of the Covid - 19 pandemic, PVOIL has proactively converted some training courses in the form of E-learning, as well as promoted internal training to promote internal resources, creative labor, thereby increasing high business efficiency of the Company.

4. Investment and project implementation

In 2020, PVOIL's investment expenditure was VND 168 billion, mainly for the development of 28 new petrol stations, the expansion of Nghi Son petroleum depot Phase 1 and the renovation of existing warehouses/stations:

Details are as follows:

No.	Investment items	Guidance (Bl. VND)	Actual (Bl. VND)	% Actual/ Guidance
1	New construction and renovation of terminal/depots	96	59	61%
2	New construction and renovation of petrol stations	99	78	79%
3	Other purchasing	110	31	28%
	Total	305	168	55%
	<i>In which: - Holding company</i>	111	78.5	71%
	<i>- Subsidiaries</i>	194	89.5	46%
	Investment from owner's capital	203	158	78%

The investment in petrol stations was implemented slowly over the past times due to the mechanism was complicated.

5. Corporate restructuring and innovating

The restructuring and rearrangement of petroleum subsidiaries to optimize business operations and efficiency was identified by PVOIL as a key mission in 2020 plan. Implementation results as follows:

- ✓ Completing the development and approval of the Corporation restructuring plan for the 2020-2025 period;
- ✓ Executing the merger of 4 groups of petroleum subsidiaries with the goal of reducing focal points, reducing costs, improving competitiveness;
- ✓ Executing the divestment at Petec and affiliates; completing divestment at Petroland;
- ✓ Continuing the support for asset preservation at biofuels plants together with implementing restructuring solutions under guidelines of the Government and the Holding Company - Vietnam Oil and Gas Group. Supporting cost to maintain minimum operations for Dung Quat biofuel plant (BSR-BF) and Phu Tho biofuel plant (PVB) for the year was 2.5 billion VND.
- ✓ Equitization finalization of the Corporations: Continuing to work with state management authorities to resolve problems related to (i) finalization of the equitization of PETEC and (ii) real estate arrangement and resolution in accordance with Decree No. 167/2017/ND-CP.

6. Financial summary

6.1. Financial summary (consolidated figures)

Criteria	2018 (bl. VND)	2019 (bl. VND)	% increase/ decrease
Total asset value	26,481	22,075	-17%
Net revenue	79,862	50,028	-37%
Operating profit	348.4	-137.4	Negative
Other profits	47.7	26.5	-44%
Profit before tax	396.1	-110.9	Negative
Profit after tax	325.2	-166.1	Negative

6.2.

6.3. Major financial indicators (consolidated figures)

No.	Criteria	Unit	2018	2019
1	Solvency			
	Short-term payment ratio (Short term asset/Short term debt)	Time	1.31	1.46
	Quick Ratio (Short term assets-Inventories) / Short term debt	Time	1.15	1.29
2	Capital structure			
	Payables / Total assets	Time	0.59	0.52
	Liabilities / Equity	Time	1.44	1.09
3	Operating criteria			
	Inventory turnover Cost of goods sold / Average inventories	Round	38.05	22.50
	Net revenue / Total assets	Time	3.02	2.27
4	Profitability criteria			
	Profit after tax / Net revenue ratio	%	0.4%	-0.3%
	Profit after tax / Equity ratio (ROE)	%	3.0%	-1.6%
	Profit after tax / Total assets ratio (ROA)	%	1.3%	-0.7%
	Operating profit / Net revenue ratio	%	0.4%	-0.3%

7. Shareholders structure, Change of owners' investment capital

PVOIL shares was registered for trading at Hanoi Stock Exchange from March 8, 2018 with the following details:

- 🔥 Securities ticker: OIL
- 🔥 Par value: VND10,000 (Ten thousand dong)
- 🔥 Securities type: common stock
- 🔥 Maximum foreign ownership room: 6.621%
- 🔥 Number of outstanding shares: 1,034,229,500 shares
- 🔥 Number of free float shares: 201,425,936 shares

7.1. Shareholders structure

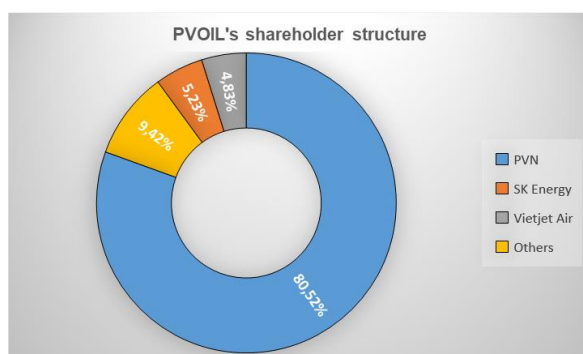
No.	Shareholders	Number	Shares owned	Value (par value) (VND)	%/Charter capital
I	Domestic shareholders				
	Institutional investors	13	884,769,820	8,847,698,200,000	85.55%
	Retail investors	4,858	85,583,923	855,839,230,000	8.27%
II	Foreign shareholders				
	Institutional investors	11	59,040,607	590,406,070,000	5.70%
	Retail investors	57	4,835,150	48,351,500,000	0.48%
III	Treasury shares	0	0	0	0%

No.	Shareholders	Number	Shares owned	Value (par value) (VND)	%/Charter capital
	Total		1,034,229,500	10,342,295,000,000	100%

Source: List of shareholders at Dec 31, 2020

List of shareholders holding more than 5% of PVOIL's shares as of December 31, 2020:

No	Shareholders	Number	Shares owned	Value (par value) (VND)	%/Charter capital
1	Vietnam Oil and Gas Group (PVN)	01	832,803,564	8,328,035,640,000	80.52%
2	SK Energy Co.Ltd.	01	54,121,507	541,215,070,000	5.23%



7.2. Owner's capital change: None

7.3. Transaction of treasury shares: None

7.4. Other securities: None

PART IV

BOARD OF DIRECTORS' REPORT

1. Evaluate the achievements in 2020

The double impact of Covid-19 pandemic and declining oil prices had serious impacts on business operation of PVOIL in 2020. This can be said to be the most difficult period that the Corporation experienced during its establishment and development. With great efforts and determination to reach the planned targets assigned by the General Meeting of Shareholder, the Corporation minimized the negative effects of the market and achieved the following results:

- ✓ **Responding promptly and effectively** to the double impact of the COVID-19 pandemic and declining oil prices; Thoroughly implementing inventory control, and cost reduction, which contributed significantly to reducing operating losses.
- ✓ **Crude oil import and export entrustment:** Safely and efficiently exporting the entire volume of crude oil in Vietnam; supplying crude oil in a sufficient and timely manner for the operation of Dung Quat refinery.
- ✓ **Petroleum production and preparation:** ensuring E5 RON92 gasoline supply to meet market demand with stable quality.
- ✓ **Petroleum distribution:** Stable distribution system; sales volume through direct sales channels (*Petrol stations/PVOIL Easy and industrial customers*) grew in the background of sharp decline in demand;
- ✓ **Improving service quality, management capacity, brand promotion** continues to be focused and effective, helping to improve the reputation and value of PVOIL brand, cultivating a solid foundation for long-term development goals.
- ✓ **Restructuring and revamping of business** was promoted

2. Achievements

In order to survive and develop sustainably in a fierce and unstable competitive market and internal difficulties, PVOIL's Board of Directors must be really flexible in management and operation to have appropriate policies and constantly explore innovation to seek development opportunities and affirm its position. The impression of PVOIL over the years continued to be effective in 2020 were the achievement in diversifying and modernizing business operations and continuously improving the position and brand reputation in the market.

2.1. Application of 4.0 technology and research and development

PVOIL is the leading enterprise in the petroleum market in creating new business programs, applying 4.0 technology to business activities.

PVOIL Easy program

Modern management and payment solutions - no cash and credit cards through the PVOIL Easy program over the years have attracted many customers who are transport businesses.

In 2020, PVOIL has continued to promote the integration of PVOIL Easy with non-cash payment methods, linking with partners such as GotIt, ViettelPay, MoMo, VCB, HDBank, targeting individual customers. As a result, the volume sold through PVOIL Easy has been continuously increased. Sales volume of 2020 was increased by a half compare to 2019, an

average of approximately 5.500 m³ per month, equivalent to the average sales volume of 50 petrol stations of PVOIL, contributing to maintaining retail sales in the context of a sharp decline in consumption.

Currently, PVOIL Easy program has been applied to 600 COCO petrol stations of PVOIL and 36 petrol stations of COMECO.

Energy conversion trend research and coping solutions

The energy transition trend is going strong globally in recent years. Many developed countries have a roadmap and specific support policies for electric vehicle (EV) production with the goal of replacing light cars running on gasoline in the near future to protect the environment. Some countries have initial success in the application of high-performance fuel cells used for electric vehicles, especially heavy trucks.

Domestically, VinFast - Vietnam's major auto manufacturer has ambitious plans to launch its own electric car models to dominate the domestic market. Most recently, the high-tech electric bus project has been deployed in several big cities (including Hanoi city, Ho Chi Minh City, Phu Quoc islands district).

In recent years, PVOIL has focused on monitoring, analyzing and evaluating the development of electric vehicles and implementing research solutions to respond. PVOIL has cooperated with Vingroup and Vietnam Electricity Group - EVN to install for testing the solar energy system and EV charging station at two petrol stations in Da Nang city from the beginning of July 2020.

In addition, PVOIL presided over and coordinated with PetroVietnam Power Corporation (PVPower) and the Vietnam Petroleum Institute (VPI) to implement research projects on the subject of energy transfer and offer solutions to respond.

2.2. Enhancing PVOIL brand

Thanks to tireless efforts over the years, the PVOIL brand becomes more familiar, increases its reputation in the market for its products and service quality. In 2020, for the second year in a row, PVOIL entered the top "50 leading brands in Vietnam", is one of the three retail businesses voted by Forbes Vietnam.

3. Financial analysis

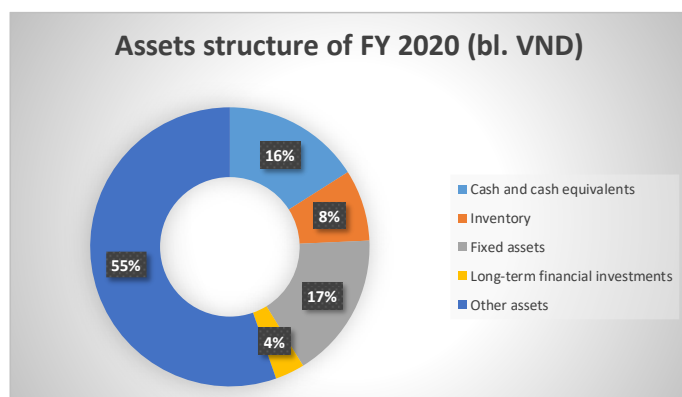
3.1. Assets and capital sources

Assets

Assets	2019		2020	
	Value (VND)	Percentage	Value (VND)	Percentage
Cash and cash equivalents	2,966,080,861,563	11%	3,533,617,033,987	16%
Inventory	2,445,158,339,762	9%	1,827,498,080,478	8%
Fixed assets	4,158,796,472,530	16%	3,737,198,323,785	17%
Long-term financial investments	786,208,112,186	3%	753,953,944,811	3%
Other assets	16,124,774,843,099	61%	12,222,696,223,590	55%
Total assets	26,481,018,629,140	100%	22,074,963,606,651	100%

PVOIL's consolidated assets were VND 22,075 billion as of December 31, 2020, increasing

by VND 4,406 billion (17%) compared to the beginning of 2020, including short-term assets of VND 16,345 billion (74%) and long-term assets of VND 5,730 billion (26%).

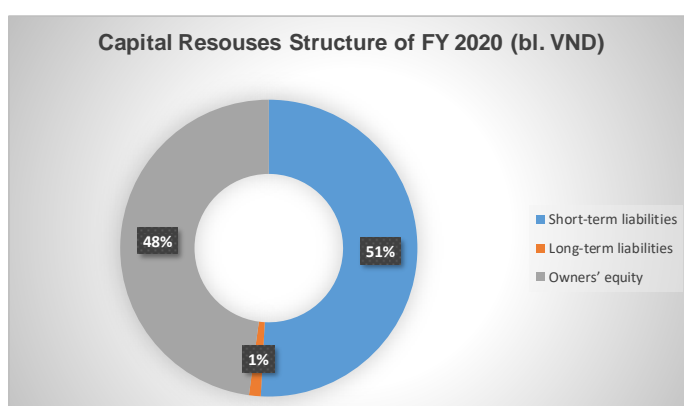


Short-term assets increased by VND 3,761 billion compared to the end of 2019, driven mainly by short-term financial investment and inventory; Long-term assets decreased by VND 645 billion, which mainly by fixed assets declines due to depreciation in the period.

Capital sources

Capital sources	2019		2020	
	Value	Percentage	Value	Percentage
Short-term liabilities	15,302,858,793,483	58%	11,228,091,311,624	51%
Long-term liabilities	332,934,293,825	1%	281,017,260,111	1%
Owners' equity	10,845,225,541,832	41%	10,565,855,034,916	48%
Total liability	26,481,018,629,140	100%	22,074,963,606,651	100%

Owner's equity of PVOIL as of December 31, 2020 was VND 10,566 billion. Owner's equity exculuding non-controlling interests was 9.488 billion, increased VND 139 billion compared to the beginning of 2020, driven mainly by the profit of production and business activities in the year.



3.2. Liabilities

As of December 31, 2020, total consolidated liabilities were VND 11,509 billion, representing an increase of VND 4.127 billion (26%) compared to that at the beginning of the year, mainly due to an increases in short-term debt. In particular:

- Short-term payables to suppliers was VND 2,396 billion, of which: Binh Son Refinery VND 944 billion, Petrovietnam Nghi Son Distribution Board (PVNDB) VND 786 billion, PVEP VND 154 billion and other suppliers VND 512 billion;
- Other short-term payables of VND 3,316 billion were mainly collection or pay on behalf of

the oil & gas Principals for entrusted crude oil import and export service, the proceeds from equitization have to return to PetroVietnam and the Enterprise Reorganization Assistance fund, etc.;

- Short-term borrowings of VND 4,001 billion; Petroleum price stabilization fund was VND 439 billion has been used according to the Joint Circular No. 39/2014/ TTLT-BCT-BTC dated October 29, 2014 and No. 90/2016/TTLT-BCT-BTC dated June 24, 2016 jointly issued by the Ministry of Industry and Trade and Ministry of Finance;
- Other payables included tax, salary and other payables that are not due, ..., which totaled VND 1,796 billion.

4. Business plan for 2021

4.1. Forecasting

The COVID-19 pandemic had strong and unprecedented impacts on the global economy as well as deviating the fundamentals of the oil market in the past year and is expected to still be complicated in 2021 until wide-scale vaccination is implemented globally in general and domestically in particular.

PVOIL developed business plan for 2021 based on the following forecasts:

- In 2021, Vietnam's economy will grow between 6.17% and 6.72%. In the base scenario - global economic growth recovers, COVID-19 pandemic is gradually controlled - Vietnam's GDP growth rate this year will reach 6.17%/year, average CPI will increase by 3.8%. In the positive scenario - global economy recovers quickly, Vietnam's economic growth in 2021 may reach 6.72%/year, CPI will increase by 4.2%.
- Crude oil prices are forecast to fluctuate around USD 45/barrel.
- In 2021, the State will amend Decree 83/2014/ND-CP on petroleum trading and some regulations are expected to change, such as: (i) Reducing the required reserves in circulation; (ii) Shortening the retail price administration cycle; (iii) Adjusting the base price formula... to move closer to market situation.
- The supply of imported gasoline is increasingly plentiful when there are more available sources of gasoline from ASEAN countries with special import tax incentives under AKFTA Agreement. Supplies from domestic refineries meet approximately 70% of domestic demand.

Advantages for PVOIL







- ✓ PVOIL owns a relatively stable distribution system, owning nearly 600 petrol stations and nearly 1,200 General Agents/Agents/Franchisees nation-wide.
- ✓ The storage system spreads across the country, in which 2 depots directly connected to 2 Dung Quat and Nghi Son oil refineries.
- ✓ Supplies from domestic refineries for PVOIL are expected to account for approximately 90%, which will help PVOIL to actively coordinate supply sources.

Difficulties and challenges:

- ✓ The Covid-19 pandemic is still complicated in the world, implicating several potential risks for the economy in general and PVOIL's business in particular. Demand for petroleum in the world as well as in the country recovers slowly; Crude oil prices continue to fluctuate complicatedly, unpredictably, with many potential risks in 2021.
- ✓ Domestic petroleum market is subject to fierce competition due to the ongoing increase of

the number of distributors and the problem of substandard petroleum products, petroleum products of unknown origin was still complicated.

4.2. Main missions

-  **Crude oil segment:** Ensuring export/sale of all volume of crude oil/condensate extracted domestic and abroad safely and efficiently; providing sufficient domestic crude oil for Dung Quat refinery.
-  **Petroleum production:** Manufacturing E5 RON 92, lubricant of PVOIL brand with the goal of increasing production combined with quality assurance and mixing efficiency, to meet the demand of the network and other focal businesses.
-  **Petroleum trading:** Maintaining market share, distribution network, promoting petroleum trading activities, ensuring safety and efficiency; Focus on increasing the proportion of sales to direct consumption channels.
-  **Restructuring and innovating business:** Accelerating the restructuring and reorganizing the network of petroleum trading units to optimize performance and efficiency; Continuing to support asset security at bio-fuel plants while implementing restructuring solutions; Completing equitization finalization of PVOIL and divestment of state capital thereafter.
-  **Investing in network development:** Promoting development of petrol stations in various methods. Implementing non-oil services at petrol stations. Cooperation in the development of solar energy systems, electric vehicle charging stations at petrol stations.
-  **Administrating system:** Enhancing the efficiency of cash flow and debt management, cost reduction; improving customer service quality at petrol stations and depots; promoting scientific research and application of information technology in management.

4.3. Major objectives

Volume and finance targets

No.	KPI	Unit	Plan 2021	Compare to result 2020
I	Volume targets			
1	Export/sale volume of crude oil (including supply to Dung Quat refinery)	1000 tons	8.586	92%
2	Produce petroleum, lubricant	1000 m ³ /ton	484	106%
3	Petroleum trading volume	1000 m ³ /ton	3.150	107%
	- Retail weight	%	28,6%	
II	Financial targets			
II.1	Consolidated targets			
1	Revenue	VND billion	55.750	110%
2	Profit before tax	VND billion	400	
3	Profit after tax		320	
4	Payment to State Budget	VND billion	8.480	102%

No.	KPI	Unit	Plan 2021	Compare to result 2020
II.2	Holding company			
1	Revenue	VND billion	27.000	129%
2	Profit before tax	VND billion	300	
3	Profit after tax		240	

Capital construction investment plan

PVOIL continues to focus on investing in the network of retail petrol stations and upgrading, renovating facilities for petroleum business in 2021 with the following targets:

No.	Investment item	Quantity	Value (VND billion)	Compare to result 2020
1	Build and renovate storages and ports		98	166%
2	Build and renovate petrol stations	37 Petrol stations	418	536%
3	Other purchases		97	313%
	TOTAL		613	365%
	<i>In which: - Parent company</i>		428	544%
	<i>- Subsidiaries</i>		186	207%
	<i>Invest from equity</i>		521	330%

5. Explanation of the Board of Directors for auditing opinions

PVOIL's 2020 consolidated financial statements was audited by Deloitte Vietnam Co., Ltd. Accordingly, the auditor's report includes 03 contents in the Basis for Qualified opinion and the explanation of the Board of Directors as follows:

Auditing opinion: "As stated in Note 08 of the Notes to the consolidated financial statements, the Corporation recognized an amount of VND 169,785,513,359 as other receivables from Vietnam Oil and Gas Group related to an accumulated loss as at 18 May 2011 when Petec Trading and Investment Corporation ("PETEC" - a subsidiary of the Corporation) was officially transformed into a joint stock company. Such receivable arose from the determination of the State's capital contribution portion at PETEC as at 18 May 2011 that has not been approved by Vietnam Oil and Gas Group and competent authorities for the finalized amount. We were unable to obtain sufficient information on the finalized amount and any difference (if any) between the finalized amount and such amount reported as other receivables as at 31 December 2019, which caused us to qualify our audit opinion on the consolidated financial statements for the year then ended. We were also unable to sufficiently obtain such information as at 31 December 2020. Consequently, we were unable to determine whether any adjustments to these amounts were necessary".

PVOIL's explanation: *This loss arose during the period from the determination of company value on June 30, 2010 until May 18, 2021 when Petec Trading and Investment Corporation (PETEC) was officially transformed to a joint stock company, awaiting for Vietnam Oil and Gas Group to approve the value of State's capital contribution at the time PETEC was officially transformed into a joint stock company.*

Auditing opinion: “As stated in Note 15 of the Notes to the consolidated financial statements, the cost of intangible assets as at 31 December 2020 included an amount of VND 29,702,935,030 (as at 31 December 2019: VND 32,415,453,930), representing the value of land lots held by Saigon Petroleum Joint Stock Company (PVOIL Saigon - a subsidiary of the Corporation) of which land use rights have not yet been granted/transferred to PVOIL Saigon and the land use terms have expired but not yet extended. We were unable to obtain sufficient appropriate audit evidence of the rights and term to use such land lots as at 31 December 2019, which caused us to qualify our audit opinion on the consolidated financial statements for the year then ended. We were also unable to obtain sufficient appropriate audit evidence of the rights and term to use such land lots as at 31 December 2020. Consequently, we were unable to determine whether any adjustments to these amounts were necessary”.

PVOIL’s explanation: *PVOIL Saigon resolved the situation of land procedures, the value of land plots mentioned in the auditor’s Basis for Qualified opinion reduced from 32,415,453,930 VND (in 2019) to 29,702,935,030 VND (in 2020).*

This is the value of land lots purchased by PVOIL Saigon to invest and develop petroleum stations but PVOIL Saigon have not yet completed procedures to transfer land use rights to PVOIL Saigon or extend land lease terms due to the following reasons: i) The company is still bearing the name “Xi nghiệp XDDK Sai Gon (predecessor of PVOIL Saigon) and has not yet completed the name change procedure; ii) Procedures have not been completed to modify the land use purpose from agricultural land to production and business land, so the land use right has not been transferred to PVOIL Saigon; iii) The lease terms have expired but PVOIL Saigon has not yet completed the procedures with the local authorities to sign new land lease contracts.

Auditing opinion: “As presented in Note 18 of the Notes to the consolidated financial statements, as at 31 December 2020, the Corporation’s investment in PetroVietnam Biofuels Joint Stock Company (the Corporation’s associate) was reported in the consolidated financial statements using the equity method of accounting with the amount of VND 273,373,642,647 (as at 31 December 2019: VND 279,094,330,000). We were unable to obtain sufficient audit evidence of post-acquisition changes in the Corporation’s shares of net assets of PetroVietnam Biofuels Joint Stock Company as at 31 December 2019, which caused us to qualify our audit opinion on the consolidated financial statements for the year then ended. We were also unable to obtain sufficient audit evidence of post-acquisition changes in the Corporation’s shares of net assets of PetroVietnam Biofuels Joint Stock Company as at 31 December 2020. Consequently, we were unable to determine whether any adjustments to these amounts were necessary”.

PVOIL’s explanation: *The investment in PetroVietnam PetroChemicals and Biofuel JSC in Phu Tho (PVB) arose prior to the equitization of PVOIL. According to Notice No. 385 / TB-VPCP dated 02/10/2018 of the Government Office, the Phu Tho Biofuel Plant project is considered for the dissolution and bankruptcy plan in accordance with provisions of law.*

PVOIL submitted a letter to Vietnam Oil and Gas Group regarding the implementation of bankruptcy plan of PetroVietnam PetroChemicals and Biofuel JSC; documents to propose re-evaluation of this investment to 0 VND when conducting equitization finalization (implicating the removal of this investment from the joint stock company). In the implementation of project bankruptcy procedures, if any amount is recovered from the liquidation of assets at Phu Tho Biofuel Plant, PVOIL will make the entire amount payable to the Fund for Support of Arrangement of Enterprises. Vietnam Oil and Gas Group consulted the Committee for Management of State Capital at Enterprises for resolution in official document No. 3540 / DKVN-HDTV dated 01/07/2019 on the rearrangement, land procedures, difficulties and problems in PVOIL’s equitization finalization.

The Government has agreed to remove the Phu Tho biofuels project from the list of 12 poor-performing projects in the Industry and Trade sector and approved the bankruptcy plan of PVB for PVOIL to approve/implement bankruptcy procedures for PVB in accordance with provisions of law. On the date these financial statements were issued, PVOIL has not received any response from Vietnam Oil and Gas Group, Committee for Management of State Capital at Enterprises and competent agencies regarding the implementation of the bankruptcy plan of PetroVietnam PetroChemicals and Biofuel JSC.

PART V

BOARD OF DIRECTORS' REPORT

1. Overall evaluation on company's activities

The year 2020 was a particularly challenging year that the Corporation have experienced during its formation and development so far due to the impact of Covid-19 pandemic: (i) global oil prices continued to plummet and (ii) Domestic petroleum demand declined due to social distancing measures for disease control. However, with the efforts of the whole system, in 2020, the Corporation tracked closely to the key missions to perform the following business tasks:

- ✓ Developing and implementing the overall solutions to respond to the Covid-19 pandemic, ensure stability for all production and business activities of the Corporation.
- ✓ Safe and efficient export/sales of the entire volume of crude oil/condensate produced domestically and internationally; sufficient supplies of crude oil for Dung Quat oil refinery;
- ✓ Rational management of petroleum inventory during adverse changes in global oil prices; Balancing sales volume and profit targets in short terms in order to stabilize market share, distribution system and to control business performance; Promoting petroleum production and processing activities; Concentrating on petroleum trading by increasing sales proportion in direct consumption channels;
- ✓ Continuing to implement the restructuring of PetroVietnam Oil Corporation for the 2016-2020 period; Implementing the rearrangement and restructuring of the PetroVietnam Oil Corporation system in the 2020-2025 period in order to streamline the system and improve competitiveness;
- ✓ Continuing the investment and development of petroleum stations in line with the production and business strategies of PetroVietnam Oil Corporation;
- ✓ Developing plans and solutions to restructure and improve operating efficiency of the entire petroleum station system;
- ✓ Strengthening cost management, lowering product prices; Strengthening corporate governance, developing the PetroVietnam Oil Corporation brand;

To accomplish the above key tasks, the corporation developed series of solutions including *business solutions, cost reduction solutions and Covid-19 prevention solutions*, synchronously implementing these series of solutions to respond to challenging situations, minimize negative impacts from the market and achieve the principal business targets assigned by the General Meeting of Shareholders.

Regarding the general business performance, although the management and employees in the whole Corporation system all united, putting efforts in implementing series of solution to limit the negative impact of Covid-19 pandemic on business activities, however the general

business performance in 2020 still resulted in losses.

2. Evaluation on BOD activities

BOD successfully managed business activities in accordance with the goals and orientations of the AGM and BOM in 2020 in the background of adverse changes. The results in 2020 were as follows:

- ✓ Carrying out good measures of Covid-19 prevention in the whole Corporation system, ensuring uninterrupted implementation of production and business in all aspects.
- ✓ The Corporation's 2020 AGM took place successfully as planned; the 2019 annual report and the disclosure of information in 2020 were sufficiently, transparently and promptly executed in accordance with regulations.
- ✓ In 2020, BOD completed several other tasks assigned by BOM, specifically: Continuously updating, reviewing, revising and supplementing policies and regulations related to petroleum business in alignment with actual circumstances; closely supervising the status of capital management, debt management in the whole Corporation system; developing plans for reorganization, management, operation and utilization of focal warehouses in the whole system; concentrating on the investment and development of the petrol station system; developing and implementing the restructuring plan of subsidiaries in the system in accordance with direction from BOM; reviewing, amending and supplementing internal regulations on business, management, decentralization, deligation... to obtain flexibility in administration, strengthen coordination among departments, promote business efficiency; continuing to train employees and strengthen other resources in order to cultivate a foundation for sustainable development in accordance with the Corporation's development strategy.
- ✓ Regarding overall business performance in 2020, even though the Board of Directors worked with ample responsibility, great efforts and implemented several effective administrative solutions in a year with numerous adverse changes due to the Covid-19 pandemic, overall the Corporation were still operating at a loss.

General assessment: During the administration of the Corporation's business activities in 2020, CEO and BOD complied with provisions of law; deligation of management prescribed in Corporate Charter and internal governance regulations of the Corporation; resolutions of AGM and BOM; implemented several flexible and timely administrative solutions in accordance with guidelines and orientations of BOM and the tasks assigned by AGM; rigorously implementing regulations on information disclosure for public listed companies.

3. Operation plan of the BOM in 2021

In 2021, operation plan of the BOM will focus on the following key tasks:

- ✓ Operating activities: Directing successful implementation of business targets according to the resolution of AGM in 2021; Actively coordinating with companies in the industry, researching and developing a chain of production, processing, transportation and distribution of petroleum products, optimizing Corporation's business efficiency; Implementing innovative/feasible solutions to stabilize market share and distribution system, promoting petroleum production and trading, ensure efficiency and absolute safety in operations of the whole system.
- ✓ System development: Continuing to focus on solutions to increase retail volume at petrol stations; Shifting output profile toward increasing output of retail channels and direct consumption customers, thereby improving overall business efficiency of the whole system and striving to achieve the goal of sustainable development.

- ✓ Investment: Focusing on directing and expediting the implementation of projects carried over from 2020, ensuring progress and efficiency; Directing the investment and development of petrol stations in the whole system in accordance with the Corporation's business strategy; Directing the research and development of Jet A1 fuel business plan.
- ✓ Restructuring: Continuing to guide the restructuring works, drastically and effectively implementing the "Plan to arrange and restructure PetroVietnam Oil Corporation - JSC for the 2020 – 2025 period".
- ✓ Problems of Biofuel factories: In Official Letter No. 3554/VPCP- KTTH dated December 24, 2020, the Government Office agreed to remove Phu Tho and Binh Phuoc Biofuels Plant Project from the Steering Committee's monitoring and handling list according to Decision 1468. In the near future, BOM will direct the Corporation to coordinate with other shareholders to actively implement plans to resolve these 2 projects in accordance with provisions of law. Regarding the Central Biofuels Factory, PVOIL will coordinate with shareholders to implement the plan to lease factory facilities in order to support the company with income to cover expenditures, maintain minimal operations, at the same time resolve outstanding issues related to project finalization and develop factory operation plan in favorable conditions.
- ✓ Equitization finalization: Directing the equitization finalization at: i) PetroVietnam Oil Corporation will continue to focus and follow up with the authorities to clarify/report additional contents (if required) so the Vietnam Oil and Gas Group and the competent authorities may soon approve the equitization finalization; ii) at Petec Investment and Technology Trading Corporation (Petec): continue to work with the Vietnam Oil and Gas Group and competent state authorities to expedite the approval of Petec equitization finalization, strengthen the basis for divestment at Petec;
- ✓ Cost management: Continuing to direct and strengthen cost management, lower cost/cost of goods to improve competitiveness, increase operational efficiency from the Corporation to its subsidiaries.
- ✓ Financial and Risk Management: Continuing to closely direct the financial and risk management in the whole system, improve efficiency of capital balance, cash flow and debt management. Promoting the inspection, supervision and evaluation of subsidiaries' performance to ensure proper, close, safe and effective management, mobilization and utilization of capital.
- ✓ Science and technology application: Continuing the implementation of solutions to improve governance capacity in the whole system; Deploying robust application of 4.0 technology to diversify business methods and increase competitiveness; Promoting the implementation of scientific research projects and information technology application in management, administration and control of the system in order to improve transparency, openness and efficiency in corporate governance.
- ✓ Continuing to closely follow the development orientations of the petroleum industry and actual circumstances in order to promptly develop, amend and supplement the Corporation's development strategies and orientations.

PART VI

SUSTAINABLE DEVELOPMENT REPORT

1. Key messages

In the past two decades, there has been an increasing global interest in sustainable development, a requirement for globalization. Sustainable development is a humanity goal. This matter is even more focused on as an enterprise operating in the petroleum business - an essential product but with many potentials of pollution.

From the early days of establishment, PVOIL has consistently targeted to develop in a sustainable way, developing business along with environmental protection and fulfilling its responsibilities to society and the community, in particular through its products and people development as well as carry out its responsibility for the community of PVOIL.



In terms of developing products, Deeply aware of the responsibility in preserving and protecting the living environment, PVOIL is the nationwide pioneer to help the Government step by step to distribute E5 biofuel to the market to replace traditional gasoline. E5 gasoline has been distributed by PVOIL since August 1, 2010 and gradually expanded consumption in its distribution system. After years of PVOIL's persistently pursuing goals, making great efforts to promote the benefits of using "green" products and persuade consumers by PVOIL's own quality products, Government decided to fully replace A92 gasoline with E5 gasoline nationwide since January 1, 2018, which has been well-received by consumers.

In terms of developing people, PVOIL defines it as both a goal and a driving force for development. Therefore, PVOIL always has a strategy of caring, training and developing sustainable human resources, including creating a corporate culture with a solid foundation and has its own traditions and identity. Those are a training environment, respect for differences to promote creativity and continuously innovate thinking to improve professional qualifications and skills.



For the community, PVOIL defines community recognition as a critical measure of the sustainable development of PVOIL. Therefore, PVOIL always ensures the interests between related parties and carries out its responsibility to society and the community at the same time, through practical activities with the great sincerity.

2. The operating principle of PVOIL for related parties

	<p>For employees: Building a professional, safe and friendly working environment together with adequate remuneration policies corresponding with the employees' contributions. PVOIL has been making efforts to improve the quality of human resources and the professionalism of the labor force through training, assigning and evaluating work by KPIs.</p>
	<p>For customers: PVOIL ensures to provide highest quality products and best services to customers. PVOIL is a pioneer in developing E5 biofuel business to replace fossil fuels, which helps to reduce emissions and protects the environment. The petroleum products, lubricants and biofuels that PVOIL supplies to the market always ensure best quality with enough quantity. In addition, PVOIL has implemented Project 1114 and Project 808 to the whole petroleum network to improve the quality of customer service at petroleum stations and depots; diversifying services to bring more benefits to customers such as PVOIL Easy, PVOIL Mobile</p>
	<p>For shareholders and investors: PVOIL always aims to maximize corporate value with the great efforts to complete and exceed the planned targets. At the same time, providing sufficiently, timely and transparent information about the operation of PVOIL through seminars, communication channels, websites and means of information disclosure in accordance with regulations.</p>
	<p>For business partners</p> <p>PVOIL keeps the principle of healthy competition, mutually beneficial cooperation and ensuring benefits for customers.</p>
	<p>For the community and society: PVOIL commits to fulfill its responsibilities to the community and society in addition to caring for and ensuring responsibility for employees. PVOIL has created the fund "PVOIL share the same heart" and has maintained the operation of the fund for many years with practical activities towards the community.</p>

3. Report on safety, health and environmental protection (SH&E)

3.1. Maintain the effectiveness of the SH&E

Management system of the SH&E

- ✓ The management system for SH&E at PVOIL has been established, regularly implementing and organizing the synchronous, rhythmic and strict activities from PVOIL to its branches and subsidiaries throughout the whole system, from the highest levels of leadership to specialized/part-time specialists.
- ✓ Building a team of safety and hygiene staff in PVOIL to ensure safety and hygiene in production and business activities.

Maintaining and improving the safety management system

- ✓ Integrated quality management system (IQMS) of PVOIL has been developed, maintained and complied with since 2012 in the whole system. This has been assessed

and certified by the BSI British Standards Institute as a Management system with Safety - Environment - Quality according to requirements of the International Standard for Occupational Health and Safety Assessment Series OHSAS 18001: 2007 / ISO 45001: 2018, environmental management system namely ISO 14001: 2015 and quality management system ISO 9001: 2015. The system has been updated, revised and issued after PVOIL officially became a joint stock company in accordance with the requirements of the new version of ISO.

- ✔ The implementation of Project 1114 "Improving customer service quality at petroleum stations" and Project 808 "Improving the quality of customer service at petroleum depots" have contributed positively in ensuring compliance with the professional process, proficiency in fire safety and safety rules, safe operation, proficient use of fire protection equipment and troubleshooting at petroleum stations and depots throughout the system.
- ✔ Maintaining compliance and improving the management system strictly, which is implemented by PVOIL through:
 - ✔ The internal inspection and evaluation of PVOIL on SH&E is maintained annually.
 - ✔ Monthly inspection and evaluation for Project 1114 "Improving the quality of customer service in construction stations" and Project 808 "Improving the quality of customer service at petroleum depots" with 04 turns for all depots and petroleum stations in the system;
- ✔ Periodic monitoring and evaluation activities of the British Standards Institute (BSI): The unsuitable findings and improvement recommendations of BSI are monitored, planned and implemented to overcome, prevent and renovate according to the process.
- ✔ Training for employees on related content. In 2020, PVOIL trained for employees who work directly at the petrol terminal and depot with the topic "Hazard identification and risk assessment".

3.2. Safety work - Security, fire protection, emergency rescue

In 2020, PVOIL implemented synchronous measures from prevention to emergency response to ensure safety and fire prevention in the whole system with typical activities:

All terminals/deports and petrol stations organized of rehearsal of fire prevention and fighting plans, responding to environmental incidents and emergency escape with the participation of local functional forces to improve the readiness of rescue forces in place and safety awareness of employees;

PVOIL periodically organize oil spill incident rehearsals to practice training and rescuing, train and deploy "Safety assessment of ports/deports" according to international practices, training "coordinating fire fighting between ships and shores", hygiene security for all labor. In addition to the training courses on environmental safety and health as prescribed by law, PVOIL organized a training course on "Integrated command of fire fighting and rescue at night" for 250 trainees at petroleum depots and organized an E-learning safety training course at petrol stations for trainees of all PVOIL's petrol stations.

PVOIL also regularly warn and timely prevent natural disasters, storms and floods, ensure safety for people and reduce damage to property. The Steering Committee of the Emergency Office will be on duty 24/24 on the occasion of holidays, New Year or the time of storms, floods ... in order to timely direct and handle emergencies; Organize the direct force to save oil spill in the process of importing and exporting petroleum at all depots in the system;

PVOIL also maintains regular and irregular inspections of fire safety at petroleum depots and stores, ensuring that this work is done strictly, fire and explosion prevention equipment are always availability to use when an emergency situation occurs.

3.3. Employee health care

PVOIL specifically focus on employee health care through the following activities:

- ✔ Carry out measurement and testing of the working environment and effectiveness of labor protection, to ensure the health of workers and prevent occupational diseases.
- ✔ Organize periodic health examination for all employees; do occupational disease examination for direct workers, and intensive examination for some cases of suspected occupational diseases.
- ✔ PVOIL also implemented in-kind compensation for employees working at the ports/ depots and petroleum stations
- ✔ Organize and provide lunches with the ensured nutrition and food safety and hygiene through strictly controlling the original food used for employees.
- ✔ In addition, to help employees get financial security in case of medical examination and hospitalization, PVOIL has applied the policy of purchasing PVI Care insurance for employees to prevent risks and motivate employees to work.

3.4. Environmental protection and waste control

- ✔ PVOIL regularly monitors and updates the implementation of newly issued legal documents.
- ✔ Periodically test environmental quality, conduct oil spill response rehearsal, hazardous waste management, and operate the wastewater treatment system effectively.
- ✔ Investing and upgrading wastewater treatment system in depots of PVOIL.
- ✔ Strictly carry out the classification of waste, equip hazardous waste storage containers / houses for safe collection and storage.
- ✔ Hazardous waste disposal is assigned to the units that have the function to conduct in accordance to regulations. In 2020, PVOIL collected and transferred to the functional unit handling about 255 tons of hazardous waste.

3.5. Building culture of safety, health and environmental protection (SH&E)

Along with the use of technology, PVOIL is also interested in promoting and raising awareness of environmental protection for employees through organizing practical activities such as:

- ✔ Maintain periodic propaganda for occupational safety and health, world environment day, earth hour, fire prevention and fire prevention day ... help raise awareness of officials and employees about compliance requirements of legislation on safety - fire protection, environmental protection and worker health.
- ✔ In 2020, due to the Covid-19 pandemic, the skills and safety competitions within the Corporation and the Vietnam Oil and Gas Group cannot be held annually as planed.

3.6. Health and occupational safety indicators

The rate of injury, occupational diseases, sick days, absence and the number of deaths relating to work in each area of PVOIL in 2019 is listed as follows:



No	Indicators	Unit	Number
1	Occupation accidents		0
	- Total number of occupation accidents	Case	0
	- Total number of people have occupation accidents	People	0
	- Total expenses for occupation accidents (emergency, treatment, pay for leaves, compensation, benefits...)	VND million	0
	- Property damage (in cash)	VND million	0
	- Numbers of leaves because of occupation accidents	Day	0
2	Occupation disease		0
	- Accumulated number of people have occupation disease	People	0
	- Numbers of leaves because of occupation disease	Day	0
	- Numbers of early resigns because of occupation disease	People	
	- - Total expenses for people with occupational diseases in 2019 (expenses are not included in the occupational safety and hygiene plan such as: treatment, salary payment on holidays, compensation, allowance, etc)	VND million	0
3	Result of health classification of workers		
	+ Type I	People	363
	+ Type II	People	1,372
	+ Type III	People	3,855
	+ Type IV	People	13
	+ Type V	People	4
4	Number of sick leaves	Day	0

3.7. Main tasks of safety, health and environmental protection (SH&E) in 2020

2019 achievements affirmed the continuous efforts of the Board of Management and the staff of PVOIL in ensuring SH&E, strengthening the brand and image of PVOIL for a safe and sustainable future. In order to continue to promote this achievement, PVOIL sets some main tasks in 2020 as follows:






- ✔ Ensure efficiency in business operation of PVOIL with safety, quality and full compliance with legal regulations on Quality – SH&E.
- ✔ Maintain updates and evaluate successful certification of the Management System according to the new version ISO 9001: 2015 and ISO 14001: 2015 and ISO 45001: 2018.
- ✔ Strengthen training to supplement knowledge about Occupational Safety and Health (OSH) to meet requirements of the Law and improve skills for workers.
- ✔ No heavy occupational accidents at company member units of PVOIL.
- ✔ Do not let environmental incidents occur and ensure full compliance with legal requirements on environmental protection.
- ✔ Continue to improve working conditions, prevent labor accidents and occupational diseases for employees in all PVOIL.
- ✔ Try to enforce emergency response team, improve the readiness to respond to storm events to prevent and mitigate human and property losses during storms.

4. Report on energy and water use

-  Energy: Total energy consumed by PVOIL in 2020 was 10,880,791 KW, increased by 1,3% compared to 2019.
-  Water: The total amount of water PVOIL uses in production and business in 2019 was 260,291 m3, an decrease of 1,6% compared to 2019.

5. Environmental compliance

Being aware of petroleum business bringing many potential risks to the environment, PVOIL has strictly complied with legal regulations on environmental protection, and simultaneously implemented solutions to prevent and limit the risks such as:

-  Fully equipped equipment and staff
-  Organize forces to manage safety, health, environment and emergency incident rescue at all member units in the whole system;
-  Develop plans for oil spill rescue and hire professional rescue forces at petroleum port depots;
-  Petroleum depots and petroleum station are certified by the specialized agency for safety and environmental protection before coming into operation.
-  Effectively maintain the integrated management system of environmental safety according to ISO 9001: 2015, ISO 14001: 2015 and ISO 45001: 2018

In 2020, PVOIL was not penalized for not complying with environmental laws and regulations.

6. Report on social issues

6.1. Employment



Total employees as of December 31, 2020

5.599 people






Average salary of the employees

12,71 million/person/month



Welfare provided to full-time employees

-  Sightseeing, vacation, cultural activities
-  Eating shift, birthdays ... for employees
-  Arts and entertainment, singing

For seasonal workers: PVOIL and its subsidiaries agreed to pay wages and other policies according to labor contracts; ensure the salary paid to employees is not lower than the regional minimum wage where the employees work.



No discrimination

PVOIL commits not to discriminate race, color, gender, religion, political views, national origin or social origin. There was no discrimination in PVOIL in 2018.



Do not use child labor and forced labor

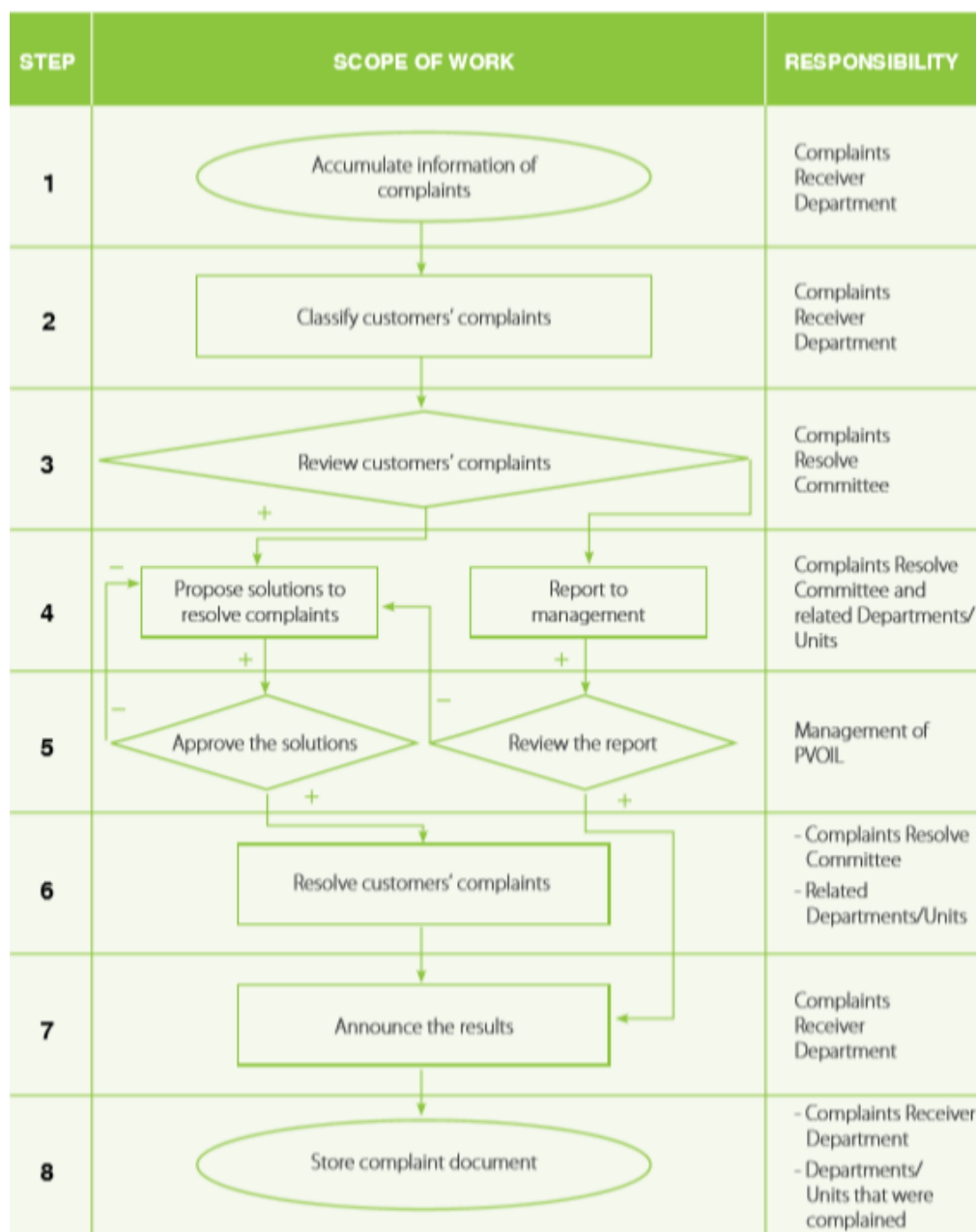
PVOIL commits not to use child labor and forced labor, using labor in accordance with the legal age.

6.2. Responsibilities of products and services

Provide sufficient information on products and services to customers and consumers through information channels such as Website, Facebook, advertising panels. PVOIL also introduced new services through media, newspapers and conferences.

In addition, PVOIL also maintains hotlines to receive customer feedback at all terminal/depot and petrol stations in the system.

PROCESS FOR HANDLING COMPLAINTS



Customers can make suggestions and complaints through the following forms:

✉ Direct email to: PetroVietnam Oil Corporation - Floor 14-18, PetroVietnam Tower, 1-5 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City

✉ Email to: contact@pvoil.com.vn

☎ Call directly to: **(84 - 28) 39119333**

☎ Hotlines to Receive feedback/complaints of customers at petroleum depots:

☎ **0988.43.17.17**: Receive feedback/complaints of customers at petroleum depots from Thua Thien Hue area (Chan May depot) to the North;

☎ **0988.21.17.17**: Receive feedback/complaints from customers at petroleum depots from Da Nang area (Lien Chieu depot) to the South;

☎ **08.96618800** Supported to PVOIL Easy nationwide

6.3. Responsibility to the community

PVOIL was fully aware of its public responsibilities of the business and wished to participate in developing a better, kinder society. In 2020, despite extreme challenges in business operations, PVOIL still strived to maintain regular social philanthropy programs from previous years. Moreover, PVOIL promoted meaningful activities in order to share the community's hardship caused by the Covid-19 pandemic and the natural disasters that devastated the Central regions. Total charitable giving during the year is VND 11 billion for the following activities:

- ✚ Sponsored “Thap sang niem tin” scholarships for poor students that overcome difficulties.
- ✚ Sponsored the construction of preschool facilities at Hong Phong commune, Ninh Giang district, Hai Duong and Cuong Gian school, Nghi Xuan district, Ha Tinh.
- ✚ Provided allowances, care and on holidays visited, gave presents to 75 heroic Vietnamese mothers, Mothers of fallen soldiers at Cu Chi province.
- ✚ Organized “Cung PVOIL ve que don tet” program in Spring 2020, gifted more than 1300 bus tickets and travel meals for students with disadvantages from 5 universities in Ho Chi Minh city and Hanoi to come home for Tet holiday.
- ✚ Gave presents to Thien Phuoc orphanage, visited and gave presents to people and schools in Hoang Su Phi district, Ha Giang.
- ✚ Free gas programs for relief vehicles to Central regions; charitable donation to people and PVOIL's employees in Central regions that were affected by the natural disasters.
- ✚ Free mask programs Rice ATM, support to Ninh Thuan and Hai Duong farmers ... are among PVOIL's 2020 activities to share public responsibilities in responding to the Covid-19 pandemic.

PART VII

AUDITED CONSOLIDATED FINANCIAL STATEMENTS **For the year ended December 31, 2020**

Please see at the link below:

https://www.pvoil.com.vn/Data/Sites/1/media/cbtt2020/bctc/bctc_hopnhat_nam_2020_eng.pdf