

LIST OF DOCUMENTS
THE ANNUAL GENERAL MEETING OF SHAREHOLDERS 2020
PETROVIETNAM OIL CORPORATION

| No. | Description |
|------------|--|
| 1 | AGM's Agenda |
| 2 | Regulation on Organizing Congresses |
| 3 | Report on Business Performance in 2019 and Plan for 2020 |
| 4 | Report on Performance in 2019 and Orientations & Tasks in 2020 of BOM |
| 5 | Report on Performance in 2019 and Orientations & Tasks in 2020 of BOS |
| 6 | Report on Wage and Remuneration Fund settlement in 2019 and Plan for 2020 of the BOM and BOS |
| 7 | Statement on Approval the Audited Financial Statements 2019 |
| 8 | Statement on Plan for Distribution of Profit in 2019 |
| 9 | Statement on Selection of Auditing Unit in 2020 |
| 10 | Statement on Amendment and Supplement of Charter of the Corporation |
| 11 | Draf of Resolution of AGM 2020 |

AGENDA
THE ANNUAL GENERAL MEETING OF SHAREHOLDERS 2020
PETROVIETNAM OIL CORPORATION

Time: 8:30 AM, 08 June 2020

Place: Equatorial Hotel, 242 Tran Binh Trong Street, Ward 4, District 5, HCMC.

| Time | Duration (min) | Description |
|---------------------|---------------------------|---|
| 08:00 am – 08:30 am | 30 | Guest Welcoming Shareholders register and receive voting card. |
| 08:30 am– 09:00am | 30 | Opening Ceremony |
| | | Statement of reasons, introducing Delegates |
| | | Reporting on the results of Shareholders verification |
| | | Introducing Chairperson and the Secretary of AGM |
| | | Approval the AGM's Agenda |
| | | Approval the Vote Counting Committee |
| | | Approval the Regulation on Organizing Congresses |
| 09:00 am – 10:30 am | 20 | Report on Business Performance in 2019 and Plan for 2020 |
| | 15 | Report on Performance in 2019 and Orientations & Tasks in 2020 of BOM |
| | 15 | Report on Performance in 2019 and Orientations & Tasks in 2020 of BOS |
| | 10 | Report on Wage and Remuneration Fund settlement in 2019 and Plan for 2020 of the BOM and BOS; |
| | 5 | Statement on Approval the Audited Financial Statements 2019; |
| | 5 | Statement on Plan for Distribution of Profit in 2019; |
| | 5 | Statement on Selection of Auditing Unit in 2020 |
| | 5 | Statement on Amendment and Supplement of Charter of the Corporation; |
| 10:30 am – 11:00 am | 30 | Discussion and voting on contents of those presented documents |
| 11:00 am – 11:15 am | 15 | PVN Representative's speech and PVOIL's reply |
| 11:15 am – 11:25 am | 10 | Announcement of the voting and elevation results |
| 11:25 am – 11:40 am | 15 | Approval the Minutes and Resolutions of the meeting |
| 11:40 am – 11:50 am | 10 | End of the Annual General Meeting |

Note: The official Agenda will be approved at the General Meeting of Shareholders

Ho Chi Minh City, Jun 05, 2020

REGULATIONS

ON ORGANIZING THE ANNUAL GENERAL MEETING OF SHAREHOLDERS 2020 OF PETRO VIETNAM OIL CORPORATION

CHAPTER I

GENERAL PROVISIONS

Article 1. Scope of application

1. These regulations are applicable to the organizing the Annual general meeting of shareholders 2020 of Petro Vietnam Oil Corporation (AGM for short).
2. These regulations specify the rights and obligations of the shareholders and other participating parties; conditions and procedures for conducting the AGM.
3. Shareholders, representatives of shareholders, and participating parties shall comply with the provisions of these regulations.

CHAPTER II

CONDITIONS FOR PARTICIPATING IN THE AGM

Article 2. Conditions for participating in the AGM

Individual shareholders or authorized representatives of the institutional shareholders who are named on the list of shareholders at the closing date for the right to attend the AGM have the right to directly attend the AGM or authorize representatives in writing to attend the AGM in accordance with these regulations and the law.

Article 3. Process for attending the AGM

Shareholders are considered attending and voting at the Annual general meeting of shareholders in the following cases:

- Attend and vote directly at the meeting;
- Authorize others to attend and vote at the meeting.

CHAPTER III

RIGHTS AND OBLIGATIONS OF SHAREHOLDERS AND PARTIES PARTICIPATING IN THE AGM

Article 4. Rights and obligations of shareholders or authorized representatives

1. Shareholders or authorized representatives have the rights to attend the AGM, to vote on all issues of the meeting in accordance with the Law on Enterprises and related legal documents.

2. At the AGM, shareholders or authorized representatives attending the AGM have to bring the following documents:

- *AGM Invitation;*
- *Business registration (for institutional shareholders) and ID card, passport, identity card or other valid personal identification;*
- *Power of attorney (according to the form). For institutional shareholders, delegates attending the meeting who are not legal representatives must have a power of attorney.*

3. Registration to attend the Annual General Meeting of Shareholders: shareholders or authorized representatives present the above documents to the Inspection Committee of shareholder status, get the AGM documents at PVOIL's website at www.pvoil.com.vn (Investor Relations/General Meeting of Shareholders/Year 2020), Voting cards, Voting ballots with delegate code, number of shares owned and/or represented, total amount of votes. The Voting card and Voting ballots are stamped by PVOIL.

4. Shareholders and/or authorized representatives shall be on time and register with the AGM Organizing committee before entering the meeting room.

5. Shareholders and representatives of shareholders who are late still have the right to register to attend the AGM and vote on the next issues of the meeting. The AGM is not responsible for stopping and re-voting on passed issues.

6. During the meeting, shareholders must follow the instructions of the Board of the AGM, behave civilized, polite and orderly.

7. Shareholders and/or authorized representatives attending the AGM who want to express their opinions must have the consent of the Board, make brief statement and focus on the main content, in accordance with the agenda of the session. Issues that have been stated and answered will not be discussed again to avoid duplication. Shareholders and/or authorized representatives may also write the question into the Discussion card and send it to the secretary of the AGM.

8. Representatives who are authorized to attend the AGM must not authorize a third person to attend the meeting; Comply with the provisions of these Regulations, follow the management of the Board of the AGM and respect the results of the meeting.

Article 5. Rights and obligations of the Inspection Committee of shareholder status

1. The Inspection Committee of shareholder status includes 01 Chairman and a number of members appointed by Petro Vietnam Oil Corporation. The Inspection Committee has the function of checking the status of shareholders or authorized representatives to attend the AGM: Checking the Identification card, passport or other legal personal identification, Invitation letter, Power of Attorney (if any). The Inspection Committee of shareholder status is obliged to distribute documents for the AGM, Voting

ballots, Voting cards to shareholders or authorized representatives of shareholders; Reporting to the AGM about the results of checking the status of shareholders attending the meeting.

2. The Inspection Committee of shareholder status has the right to set up an assisting unit to fulfill its duties.

3. If the person attending the AGM does not have the right to attend the meeting, the Inspection Committee of shareholder status has the right to refuse that person's right to attend the meeting, refuse to issue Voting cards, Voting ballots and AGM documents.

Article 6. The Board of the AGM

1. The Board of the AGM elected by the AGM, includes the Chairman and a number of members, with the function of managing the AGM.

2. Rights and obligations of the Board:

a) Manage the meeting activities according to the agenda approved by the AGM. Carrying out the necessary works to make sure the AGM occur orderly; matching the needs of the majority of attending shareholders;

b) Nominate one or several people to be secretary of the meeting, present to the AGM to vote the Committee of ballot counting;

c) Guide the discussion at the AGM;

d) Submit drafts of necessary contents for the AGM to vote;

e) Answer questions asked by shareholders or select respondents.

3. The Chairman's decision on the structure, procedures or unexpected events of the AGM will be final.

4. The Chairman conducts the necessary works to manage the AGM in a valid and orderly manner, or for the Meeting to reflect the wishes of the majority of attending shareholders.

5. Without consulting the AGM, the Chairman may at any time postpone the AGM to another time (in accordance with the provisions of the Law on Enterprises and the approved Charter) and at another venue picked by the Chairman if they find that:

a) Actions of those who presented obstruct or are likely to obstruct the orderly progress of the meeting; or

b) Rescheduling is necessary for the works of the AGM to proceed properly.

Article 7. Rights and obligations of the Secretary committee of the AGM

1. The Secretary committee of the AGM includes 01 Chairman and a number of members appointed by the Board of the AGM.

2. The Secretary committee of the AGM performs supporting tasks as assigned by the Chairman, such as: taking Minutes of the progress of the AGM, reflecting truthfully, accurately and fully the AGM content in the Minutes and Resolutions of the AGM; presented to the AGM on the Minutes and Resolutions of the AGM.

Article 8. Rights and obligations of the Committee of ballot counting

1. The Committee of ballot counting is composed of 01 Chairman and a number of

members and are elected by the AGM through the proposal of the Board of the AGM.

2. The Committee of ballot counting has the right to set up an assisting unit to fulfill its tasks.

3. The Committee of ballot counting has the duties:

a. Instruct shareholders to attend the meeting on how to use voting cards; count the votes by types: agree, disagree, have no opinion immediately after the AGM voting;

b. Record the voting results of shareholders and shareholders' representatives on issues listed by the AGM;

c. Summarize and report to the Board of the AGM the voting results for issues of the AGM;

d. Collect ballot counting results and issue the Vote counting minutes of the issues submitted to the AGM;

e. Report the vote counting results to the AGM;

f. Hand over the minutes of counting votes and all voting ballots to the Secretary of the AGM;

g. Collaborate with the Board of the AGM to consider and settle complaints and accusations about voting results, election results (if any) and report them to the Annual General Meeting of Shareholders for decision;

h. Perform other assigned tasks.

CHAPTER IV

PROCEDURE FOR CONDUCTING THE AGM

Article 9. Conditions for conducting the AGM

The AGM is conducted when the number of shareholders attending the meeting represents at least **51%** of the total number of votes, according to the list of shareholders made at the time of assembling the meeting. The Inspection Committee of shareholder status announces the number of attending shareholders, the total number of voting shares and the attendance rate so that the AGM can proceed as required.

Article 10. Procedure for conduct and order of the AGM

1. The meeting is expected to take place in ½ day.

2. The Meeting will in turn discuss and approve the contents stated in the General Meeting of Shareholders Agenda.

3. All shareholders attending the meeting must be respectfully dressed.

4. Shareholders who enter the meeting hall where the AGM is held must sit in the correct area arranged by the AGM Organizing committee and comply with the control of the Organizing committee.

5. No smoking in the meeting hall where the AGM is held.

6. Do not have private conversation, do not use your phone during the AGM, phones must go into silent mode or be turned off.

Article 11. Agenda, working content of the AGM

1. The agenda and content of the AGM must be approved by the Annual General Meeting of Shareholders in the opening section and must specify the time for each content in the meeting.

2. If in the course of holding the meeting, the Chairman proposes to change the agenda and content of the meeting, the changes must be approved by the AGM.

Article 12. Discussion and questioning at the AGM

1. Based on the number of attending shareholders and the allowed time of the AGM, the Board of the AGM may select the suitable method of managing the meeting. Shareholders participating in the AGM express their opinions and questions by raising their hands and obtaining the consent of the Board of the AGM or fill in the Question card which will be sent to the Board of the AGM. At one point of time, only one shareholder is entitled to speak. In case many shareholders have opinions at the same time, the Board of the AGM will request each shareholder to present their ideas sequentially.

2. Shareholders make concise statements and focus on the main content to discuss, in accordance with the approved agenda by the AGM. The content of the proposal of the shareholders must not violate the law, related to personal matters or beyond the authority of the corporate. The Board of the AGM has the right to remind or request shareholders to focus on the key content to save time and ensure the quality of the discussion.

3. The AGM agrees that the total time for a shareholder to speak is no more than 5 minutes each. If over this time limit, the Board of the AGM may ask the shareholders to ask questions and proposals in writing, the Secretary committee of the AGM must acknowledge it and the Board of Directors within its authorities will answer in written to shareholders at the earliest.

Article 13. Approving the Decision of the General Meeting of Shareholders

Pursuant to the Charter of Organization and Operation of the Corporation, which was adopted by the First General Meeting of Shareholders on July 30, 2018, amendments and supplements, the adoption of the decision of the Annual General Meeting of Shareholders 2020 on the reports, proposals at the AGM is specified as follows:

- Amendments to the Charter of organization and operation of the Corporation are adopted if approved by a number of shareholders representing at least 65% of the total votes of all shareholders attending the meeting.

- Remaining contents: adopted as approved by a number of shareholders representing at least 51% of the total votes of all attending shareholders.

Article 14. Voting method of passing contents at the General Meeting of Shareholders

1. Issues in the agenda and contents of AGM must be discussed and approved by the General Meeting of Shareholders by Voting card or Voting ballot.

2. Voting method:

- a) Method of holding up the "**Voting card**": When conducting voting at the AGM, each shareholder and each authorized representative of the shareholders holds up the Voting Card. This method is used to approve the following contents: approving the Board of the AGM, the Board of Secretary, the Voting Committee, the Regulation on organizing the AGM, the Minutes and Resolution of the AGM and other contents... except for the

voting approving the contents of the Reports and Proposals at the AGM.

The determination of voting results shall be conducted by counting the number of affirmative votes, the number of disapproving votes and abstentions, in case shareholders do not raise voting cards, they shall be considered as abstentions. For each issue asking for voting, shareholders may hold up the voting card only once.

b) Method of submitting "**Voting ballots**": Each shareholder and the shareholder's representative is received a Voting ballot which has three (03) options: *agree, disagree, and no opinion* with each content of the voting. Delegates will mark an "X" in the box of their choice, then sign and write their full name submitted to the ballot box in accordance with the instructions of the Committee of vote counting. This method is used for passing Reports and Proposals at the AGM.

3. The validity of the votes:

c) Valid voting ballots: are printed forms issued by the Organizing Committee, stamped by PVOIL, not erased, scraped, not written in any additional content outside of the guidelines and must be signed by participants.

On the voting ballots, the voting content is valid when the delegates mark one (01) out of three (03) voting squares: *agree, disagree, no opinion*.

d) Invalid votes:

- Votes are not issued by the Organizing Committee (not in the prescribed form, without the stamp of PVOIL on the votes), erased, scraped, without the signature of the attending shareholder/shareholder's representative, then all the voting content on the vote is invalid;

- A note written with additional content not requested by the Chairman of the AGM;

- If the vote does not mark "X" in 01 of the voting boxes (*agree, disagree, no opinion*) or tick from 02 or more boxes for the same content, the voting part for that content is not valid;

- Other contents as prescribed by law.

Article 15. Minutes of the General Meeting of Shareholders

1. The General Meeting of Shareholders must be recorded in minutes, can be recorded and kept in other electronic forms. The minutes must be made in Vietnamese and contain the following key contents:

a) Name, head office address, enterprise identification number;

b) Time and location of the General Meeting of Shareholders;

c) Agenda and contents of the meeting;

d) Full name of the chairman and secretary;

e) Summary of the activities of the meeting and opinions presented at the General Meeting of Shareholders on each issue in the agenda of the meeting;

f) Number of shareholders and total number of votes of attending shareholders, appendices of the list of registered shareholders, representatives of attending shareholders with the corresponding number of shares and votes;

g) Total number of votes for each voting issue, clearly stating the voting method, the total number of valid, invalid, agreeing, disagreeing and abstaining votes; corresponding ratio of total number of votes for each voting issue to the total votes of attending shareholders;

h) The issues passed and the corresponding voting ratios;

i) Signatures of the Chairman and secretary.

2. Minutes of the General Meeting of Shareholders must be completed and approved before the end of the meeting.

3. The Chairman and secretary of the AGM must be jointly responsible for the truthfulness and accuracy of the content of the minutes.

4. The minutes of the General Meeting of Shareholders are published on the website of the Corporation within twenty-four (24) hours or sent to all shareholders within fifteen (15) days from the ending date of the meeting.

The minutes of the General Meeting of Shareholders are considered as evidence to verify the work performed at the General Meeting of Shareholders unless there is an objection to the content of the minutes made according to the procedures within ten (10) days of sending out the minutes.

CHAPTER V OTHER TERMS

Article 16. In case of unsuccessful organization of the AGM

1. If the Annual General Meeting of Shareholders in 2020 fails to meet the conditions prescribed in Article 9 of this Regulation, the second convening must be conducted within 30 days from the date of the meeting is scheduled. The second meeting is conducted when the number of attending members are shareholders and authorized representatives representing at least **33%** of the total votes.

2. In cases, the second convening meeting is not eligible to be conducted under the provisions of Clause 1 of this Article, the third assemble shall be conducted within 20 days after the date of the second meeting is scheduled. In this case, the meeting of the General Meeting of Shareholders is held regardless of the total number of votes of the attending shareholders.

CHAPTER VI EXECUTION PROVISIONS

Article 17. Execution provisions

1. This Regulation consists of 6 chapters and 17 Articles, adopted on June 8, 2020 and takes effect immediately after the AGM approves.

2. The Chairman is responsible for hosting the AGM in accordance with this Regulation.

3. Shareholders or authorized representatives and participants of the AGM are responsible for implementing the provisions of this Regulation.

**ON BEHALF OF BOARD OF MANAGEMENT
Member of the BOM cum President & CEO**

(signed)
Cao Hoai Duong

No.: 01 /BC-DHDCD

Ho Chi Minh City, June 05 , 2020

REPORT

BUSINESS PERFORMANCE IN 2019

AND BUSINESS PLAN FOR 2020

To: Annual General Meeting of PetroVietnam Oil Corporation

Board of Directors of PetroVietnam Oil Corporation (PVOIL) would like to report the results of the business operations in 2019 and the plan for 2020 as follows:

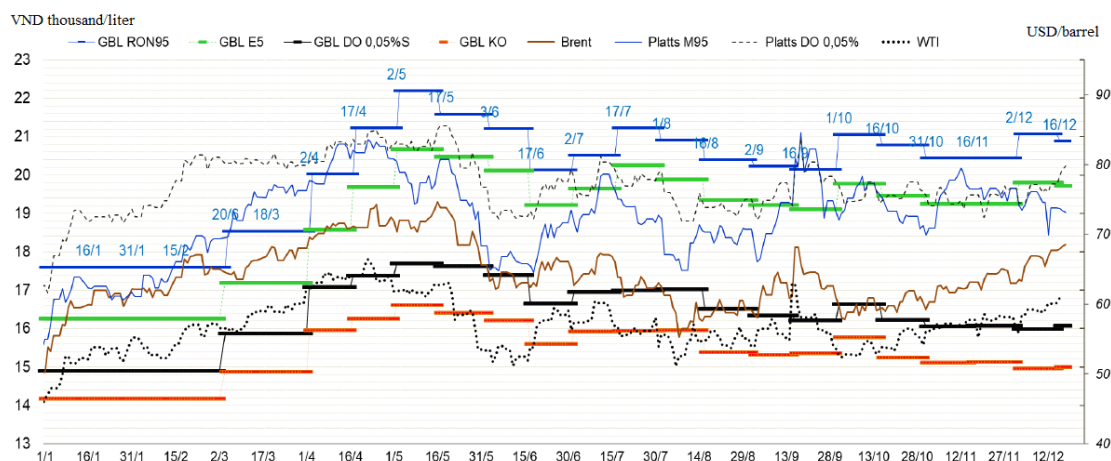
I. Business results in 2019

1. Economic background:

In 2019, global trade and investment have shown signs of decline due to the impact of the US – China trade war, Brexit process and worldwide geopolitical uncertainties. In addition, tensions between Iran and the US and Western countries, the attack on large oil refineries in Saudi Arabia and OPEC's implementation of oil production cut agreement are the main reasons that lead to fluctuations with large amplitude in crude oil and petroleum prices worldwide in the past year. Dated Brent price reached an average of USD64.3 per barrel, down 10% compared to the average price in 2018.

Vietnam's macroeconomics was maintaining stability, economic growth rate decreased slightly compared to 2018 but still reached a high level – over 7%, inflation was controlled at an average of 3,5%.

For petroleum business activities, the government continued to operate under Decree 83/2014/ND-CP, maintaining a 15-day retail price adjustment in combination with deduction/use of the Price stabilization fund to regulate domestic retail price in order to stabilize the macro economy. Price management of the government has not kept up with market movements, at some points even deviated from global prices, caused many disadvantages for focal major distributors.



Graph of global oil price movements and domestic petroleum retail price

On Jan 1st 2019, the government directed a reduction in retail prices, combined with a reduction in the deduction of the stabilization fund and an increase in Environmental protection tax which made the focal major distributors suffer double negative impacts.¹

In the first quarter of 2019, global oil price unexpectedly reversed with a sharp increase of about 30%. However, in order to stabilize the market during the Lunar New Year, the government did not increase retail prices in most of the first quarter, and only used the stabilization fund at a very high level. As a result, the stabilization fund of PVOIL and most of the focal major distributors were negative, affecting their cash flows and financial costs. Many focal major distributors reduced purchasing, restricted sales resulting in a market discount that dropped to a very low level, making even retail channels generated losses.

The supply from domestic refineries increased significantly during the year when Nghi Son refinery started operating commercially, satisfying about 70-80% of domestic demand. However, the temporary discontinued operations of Nghi Son refinery due to incidents (from Feb 24th 2019 to the end of March 2019) and maintenance (45 days from Oct 22th 2019) affected the supply balance moderately and increased the cost of import, transfer of goods.

On Sep 16th 2019, the government adjusted the surcharge in the base price formula for petroleum products to manage the retail price, affecting the business performance of PVOIL in the last months of the year.

Petroleum production and processing activities continued to face many difficulties as condensate was bought at very high bidding prices because some customers secured the condensate to produce solvent products, greatly affecting the efficiency of petroleum manufacturing of PVOIL. Market demand for E5 RON92 bio-gasoline declined due to psychological factors while the other focal major distributors, distributors were not interested in E5 gasoline.

Business expenses of PVOIL rose when transforming to a joint stock company due to the increased enterprise value upon revaluation (about VND 100 billion).

Competition of domestic petroleum market became more aggressive due to the continuous increase in the number of focal major distributors and distributors. By the end of 2019, there were 32 focal major distributors and 210 distributors, an increase of 9 focal firms and 10 distributors compared to 2018. Besides, illegal trading of petroleum products deteriorated despite many strong preventive measures of the government.

The aforementioned context has negatively affected the implementation of key strategic targets of PVOIL in 2019.

¹ From Jan 2nd 2019, the government has increased the Environment protection tax on petroleum products: A95 petrol increased by VND 1,000 per liter (to VND 4,000 per liter); E5 petrol increased by VND 950 per liter (to VND 3,800 per liter); Kerosene increased by VND 700 per liter (to VND 1,000 per liter).

2. Business performance

2.1. Production targets

Unit: 1000 m³/ton

| No. | KPI | Result 2018 | Plan 2019 | Result 2019 | Compare to | |
|-----|--|----------------|--------------|----------------|----------------|--------------|
| | | | | | Result 2018 | Plan 2019 |
| 1 | Marketing and export/sales of crude oil as Marketing Agent | 11,642 | 10,600 | 11,052 | 95% | 104% |
| 2 | Supply crude oil for BSR (domestic and import) | 7,691 | 6,700 | 7,603 | 99% | 113% |
| 3 | Production of petroleum, lubricant | 559 | 604 | 604 | 108% | 100% |
| | <i>Of which: E5 petrol</i> | <i>535</i> | <i>600</i> | <i>567</i> | <i>106%</i> | <i>95%</i> |
| 4 | Trading petroleum | 3,093 | 3,200 | 3,185 | 103% | 100% |
| | <i>Retail percentage</i> | <i>25.6%</i> | <i>26%</i> | <i>26.4%</i> | <i>103%</i> | <i>102%</i> |

Separate results for each segment are as follows:

2.1.1. Import and export of crude oil:

PVOIL has safely and effectively sold all crude oil, condensate of Vietnam Oil and Gas Group and other Principals with output reaching 104% of the target and 95% compared to the same period. PVOIL supplied fully and promptly 100% of input materials to Dung Quat refinery from domestic and imported crude oil with a volume of 113% of the annual plan and 99% compared to the same period of the year 2018.

2.1.2. Production of petroleum, lubricant

Production of petroleum and lubricant reached 100% of the annual target and 108% compared to the same period of the year 2018. In particular, E5 petrol volume growth was lower than expected due to market sentiment and other petroleum distributors that were hesitated in bio-fuel. In addition, the government has not had appropriate policies to advertise, propagate, as well as encourage and create favorable conditions for businesses and consumers in production, trading and consumption of this product.

2.1.3. Retailing and distribution of petroleum products

Total trading volume of petroleum products of the entire PVOIL system (including domestic sales and PVOIL Laos) for the year reached 3,185,000 m³, achieving 100% of the annual target and growing 3% compared to the same period of the previous year.

In the context of unfavorable developments of the market and the inadequate management of the government, PVOIL had to balance appropriately the targets of consumption output and commercial efficiency. Simultaneously, PVOIL prioritized the development of direct consumption channels including retail and industrial clients. Retail sales through the petrol stations of PVOIL continued to achieve great growth, increasing 6% in volume and 1 basis point in proportion (reaching 26.4%) compared to the previous period. Sales of industrial customer channel was 17% in volume and 1.7 basis point in proportion (reaching 15.1%) compared to the prior period.

2.2. Financial performance

Unit: VND billion

| No. | KPI | Result 2018 | Plan 2019 | Result 2019 | Compare to | |
|-----------|--------------------------------|-------------|-----------|-------------|-------------|-----------|
| | | | | | Result 2018 | Plan 2019 |
| I | Consolidated indicators | | | | | |
| 1 | Revenue | 61,586 | 49,000 | 80,294 | 130% | 164% |
| 2 | EBITDA | 1,094 | | 993 | 91% | |
| 3 | Profit before tax | 589 | 440 | 412 | 70% | 94% |
| 4 | Profit after tax | 399 | 352 | 347 | 87% | 99% |
| 5 | Payment to State Budget | 9,219 | 7,100 | 11,557 | 125% | 163% |
| II | Parent company | | | | | |
| 1 | Revenue | 34,429 | 31,500 | 32,197 | 94% | 102% |
| 2 | Profit before tax | 442 | 340 | 342 | 77% | 101% |
| 3 | Profit after tax | 318 | 272 | 317 | 100% | 117% |

Consolidated revenue for the year reached VND 80,294 billion, achieving 164% of the annual target and equaled to 130% of the previous period. The growth mainly came from the segment of international crude oil trading of PVOIL Singapore, contributing VND 33,800 billion to total revenue.

Consolidated State budget contribution for the year reached VND 11,557 billion achieving 163% of the annual target and equaled to 125% of the previous period.

Consolidated Profit before tax was VND 412 billion, reaching 94% of the annual target and 70% of the previous period. Parent company profit arrived at 342 billion, fulfilling 101% of the annual target and 77% compared to the prior period. Profit of PVOIL decreased significantly compared to the previous period due to the following reasons:

- Unfavorable market movements, the prices of crude oil and petroleum fluctuated in large amplitudes. Meanwhile, Nghi Son refinery supply was unstable due to incidents, which made enterprises lacked supplies and increased the cost of unexpected import costs.
- Price regulation of the government with the aim of stabilizing the macro economy, in many cases, was in the opposite direction of the global price. In order to keep prices stable, during periods of increasing global prices (especially in the first quarter of 2019), the government demanded that the Price stabilization fund was used maximally which in turn made the fund constantly negative, damaged and increased expenses of enterprises. When the prices dropped, firms had to bear inventory losses.
- Expenses of PVOIL rose when transforming to a joint stock company due to an increase of enterprise value upon revaluation (increasing of about VND 100 billion in depreciation expenses and competitive advantages).

3. Investment activities

In 2019, investment of the whole network reached VND 320 billion, equaled to 82% of the annual target because some projects were delayed or discontinued.

The main investment projects include:

- Expansion of the retail network: during the year, PVOIL invested in developing

26 new petrol stations, reaching 68% of the annual target.

- Finalization of phase 1 of the Nghi Son petroleum storage project and investment in expanding the capacity 2,100 m³ (to 12,100 m³).

Details are as follows:

| No. | Investment item | Plan 2019 | Result 2019 | % Result/Plan |
|-----|---------------------------------------|------------|-------------|---------------|
| 1 | Build and renovate storages and ports | 103 | 58 | 56% |
| 2 | Build and renovate petrol stations | 184 | 179 | 97% |
| 3 | Other purchases | 103 | 83 | 81% |
| | TOTAL | 390 | 320 | 82% |
| | <i>In which: - Parent company</i> | 156 | 131 | 84% |
| | <i>- Subsidiaries</i> | 235 | 189 | 81% |
| | Invest from equity | 257 | 262 | 102% |

The investment in petrol stations was implemented slowly, thus, PVOIL missed some good opportunities in merger and acquisition companies because the mechanism was complicated since the government still held the controlling interest.

4. Development of new business programs, application of 4.0 technology to diversify payment solutions

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

4.1. PVOIL Easy program

PVOIL Easy is a digital card application that reads QR codes to build a centralized management system, allowing customers of business unit to buy petroleum at any petrol stations of PVOIL and be fully supervised via transaction control application and non-cash, no credit card payments. PVOIL Easy program is also a management tool, providing customer care services, promotions to increase benefits for customers who are companies with many vehicles operating on freeways and inter-provincial roads.

Currently, PVOIL Easy program has been applied to the entire network including Corporation, subsidiaries, all affiliated petrol stations, and 36 petrol stations of company COMECO. Sales volume of 2019 was above 4 times more than in 2018, an average more than 4,000 m³ per month, equivalent to the average sales volume of 35 petrol stations of PVOIL. On average, a transaction of PVOIL Easy is recorded on the system every minute.

The PVOIL Easy program promotes an increase in petroleum retail sales, saves management costs, operating costs of petrol stations, improves sales efficiency, confirms the outstanding potential of the new business program of the Corporation.

In 2019, PVOIL has continued to develop and expand the PVOIL Easy program, add more functions and integrate various electronic payment methods targeting retail customers such as GotIt, ViettelPay, MoMo, VCB and other banks.

4.2. PVOIL Mobile project

PVOIL Mobile is a dispensing tank truck equipped with a pump head with the goal of supplying petroleum to customers in industrial zones, construction sites, mines, transportation/logistics..., at the same time can be operated as a normal tank truck,

transporting petroleum to petrol stations. This is a breakthrough sales method with low initial investment (about VND 1 billion per vehicle) and high efficiency. Sales volume of PVOL Mobile averaged 59 m³/vehicle/month (the highest was 140 m³/vehicle/month), an increase of 20% compared to 2018.

4.3. Electronic Invoice project

The electronic invoice system project has been officially operated since July 1st 2019, satisfying the management requirements of the government, quickly and safely serving the need for petrol invoices of customers. As of January 2020, PVOIL system has issued more than 350,000 electronic invoices at 80 places of issuance with different tax codes. On average, 2,000 electronic invoices are issued every day.

5. Improving service quality, corporate governance

Determining to improve the competitive ability of the enterprise through improving governance and management capabilities, service quality is vital to the business, a priority and long-standing mission of PVOIL in order to build a solid foundation for development goals in the coming period.

5.1. Improving service quality at petrol depots, petrol stations

Starting from 2016, PVOIL has drastically and consistently implemented the improvement of service quality in petrol stations and petrol depots in order to create a competitive advantage against rivals, through 2 projects: Project 1114 of improving service quality at petrol stations, Project 808 of improving service quality at petrol depots. These two projects have made positive changes in the landscape, environmental sanitation, brand awareness, employee attitude, record keeping activities... at the units and are highly appreciated by customers and partners, raising the brand reputation of PVOIL.

In 2019, PVOIL continued to implement projects 1114 and 808 through the development of KPI and regular/random organizational assessment, linking the evaluation results to contest prizes and bonus commission review; regularly organizing contests such as: contest “Commanding and deploying the firefighting squad at petrol depot”; competition “Good operating team” ...

5.2. Enhancing corporate governance

The management of cash flow and liabilities continues to be implemented primarily through the central account, ensuring payment safety and optimizing the use of corporate capital. PVOIL is controlling liabilities efficiently, prevents bad debts from happening and actively recovers old debts.

Fire safety at warehouses and petrol stations are always focused. In 2019, there were not any incidents that could damage property or personnel throughout the network.

Integrated management system is in accordance with ISO 9001:2015, ISO 14001:2015, ISO 45001:2019 and the implementation of performance evaluation through KPIs has gradually enhanced corporate governance and improved productivity, work efficiency and professionalism of PVOIL team.

5.3. Communication and branding

Communication and branding are prioritized through recurring activities such as: renovating petrol stations according to brand standards, advertising at petrol stations in various formats, participating in sponsorship for Vietnam Off-road PVOIL Cup 2019.

During the year, PVOIL cooperated with MOMO e-wallet to implement multiple petrol refund programs to create a viral media effect promoting the 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. PVOIL was ranked in the top 50 leading brands in Vietnam in 2019 (ranked 41th) according to Forbes magazine – a leading American business magazine.

6. Corporate restructuring and innovating

6.1. Corporate organizing, innovating

PVOIL continues to execute the restructuring plan for the period 2016 – 2020 in accordance with the guidance of the Parent company – Vietnam Oil and Gas Group which was announced in the prospectus upon equitization. Results of 2019 are as follows:

- PVOIL has reorganized PVOIL Laos into 2 companies (import and export company and petrol trading company) in accordance with Decree 331/PM of the Laos government to keep the operation of PVOIL Laos stable, creating opportunities for development and maintaining the presence of PVOIL brand in Laos market.

- Continue to restructure the business units that operate inefficiently.

6.2. Result of solving difficulties in bio-fuel projects

PVOIL continues to handle bio-fuel plants in compliance with the Project of fixing problems of various projects and companies that are behind schedule and inefficiently operated in the Industry and Trade sector declared in Decision No. 1468/QĐ-TTg dated September 29th 2017 by the Prime Minister, the Action plan to implement the Project issued with Decision No. 4269/QĐ-BCĐADNCT dated November 14th 2017 of the Command Committee. Solutions to be implemented include:

- Binh Phuoc bio-fuel plant (OBF): Prioritize re-operating the plant before divesting from the project; in case of being unsuccessful, consider the plan of financial leasing, selling assets.

- Binh Son bio-fuel plant (BSR-BF): Prioritize re-operating the plant before divesting from the project.

- Phu Tho bio-fuel plant (PVB): Prioritize divesting from the project. If it is unsuccessful, consider options of continuing the project or filing for bankruptcy.

After more than 2 years of implementation, the situation has not positively changed, the restructuring of projects has not generated the expected results. The main reason was the price of cassava has increased sharply in recent years, while the price of Ethanol (E100) has not increased accordingly, so it was not operated effectively and difficult to find business partners or transfer ownership. Results to date are as follows:

i. Petro Vietnam bio-fuel JSC (PVB)

Based on instruction of Deputy Prime Minister Vuong Dinh Hue in Announcement of Conclusion No. 385/TB-VPCP dated October 2nd 2018, PVOIL reported and proposed to Vietnam Oil and Gas Group and the Commission for the Management of State Capital at Enterprises to approve the suspension of PVB because PVB was unable to maintain operation in accordance with the Law on Enterprises 2014 (regarding the number of personnel of the Board of Management and the Board of Supervisors) and conduct bankruptcy procedures of PVB under the regulations of the Law of Bankruptcy 2014.

Currently, PVB does not have any funding to maintain the minimum operation and PVOIL – as a major shareholder, is paying the security expense of 3 employees in 1 year is VND 960 million (about VND 80 million/month) to protect the property of shareholders, preserve documents, records while awaiting decisions of competent authorities.

ii. Orient bio-fuel JSC (OBF)

Due to the suspension in the recent years and the inability to operate in the near future, the lending banks have sent written documents to OBF notifying the liquidation of collaterals to recover part of OBF's debt and demanded OBF to hand over collaterals, transfer ownership to the banks unconditionally.

PVOIL has reported and petitioned to the Vietnam Oil and Gas Group, the Commission for the Management of State Capital at Enterprises to approve the suspension of divestment plan and transfer assets to the banks with other members in accordance with credit contracts and collateral contracts since this is the best option for OBF and other shareholders in current circumstances and conditions.

Currently, the banks are paying the security expenses for the assets of the factory and OBF leases some other assets to cover minimum operating expenses while awaiting decisions of competent authorities.

iii. Vietnam central bio-fuel JSC(BSR-BF)

BSR-BF has actively implemented the restart and operation of the plant through partnership selection for E100 production. After selecting a partner, BSR-BF arranged repair and maintenance of the plant and carried out 2 phases of E100 production, include: i) Phase 1: From October 14th 2018 to October 31th 2018, producing 1,439 m³ of E100 product; ii) Phase 2: From April 7th 2019 to April 13th 2019, producing 436 m³ of E100 product up to quality standards. However, the operation of the plant has been suspended due to the partner not ordering products as planned. Because the operating period was not enough to satisfy the acceptance procedures, the shareholders and BSR-BF could not carry out the next steps.

Since BSR-BF is in a financial imbalance, during the time that the plant was not operated, the shareholders of BSR and PVOIL had to fund the required expenses for asset preservation, ensuring fire safety and security for Dung Quat bio-fuel plant in accordance with actual costs and capital contribution ratio of shareholders (in 2019 PVOIL supported about VND 1.57 billion).

Currently, BSR-BF, with the support of other shareholders BSR and PVOIL, is conducting the review and evaluation of the plan to find partners or in-house production in 2020 and implement the next steps. In case BSR-BF cannot operate the plant in 2020, shareholders PVOIL and BSR will have to continue supporting the required expenses of asset preservation, security, fire safety for Dung Quat bio-fuel plant according to actual costs and capital contribution ratio of the shareholders.

6.3. Equitization finalization

Immediately after completing transform from One-member limited liability Company to a joint-stock company, finishing legal procedures for a joint-stock company and organizing the first annual general meeting, completing audit of financial statements at transformation period, PVOIL has prepared a set of documents for equitization

finalization and submitted to the Committee for equitization of PVOIL in accordance with official letter 211/DVN-TCKT dated December 10th 2018.

Although PVOIL regularly updated the Vietnam Oil and Gas Group (PVN)/Ministry of Industry and Trade/Commission for the Management of State Capital at Enterprises about the situation, reported/explained information as required, until now, the equitization finalization of PVOIL has not been completed due to the following reasons:

- In the course of equitization, PVN is the owner of PVOIL and under the Ministry of Industry and Trade, regarding the decision authority: PVOIL submitted the finalization documents to PVN; PVN submitted to the Committee for equitization of PVOIL for approval after consulting the Ministry of Industry and Trade; When executing equitization finalization, the ownership of PVOIL has been transferred to the Commission for the Management of State Capital at Enterprises for management;
- When being approved the equitization plan, PVOIL was regulated in accordance with Decree No. 59/2011/ND-CP dated July 18th 2011 of the government on transforming 100% state-owned enterprises to joint-stock companies. However, when finalizing equitization, PVOIL was regulated according to Decree No. 126/2017/ND-CP dated November 16th 2017 on transforming state-owned enterprises and one-member limited liability companies with 100% state capital invested, including changing the structure of the Committee for equitization.
- The authority to approve plans of house and land disposition has also changed according to state regulations;
- Has not approved the equitization finalization of PETEC.
- Financial managing losses of PVOIL of bio-fuel projects.

7. Results evaluation

7.1. Results

After a year of many fluctuations and extremely difficult for focal petroleum enterprises, the entire PVOIL personnel made great efforts to achieve most of the annual targets, at the same time continued to gradually accomplish the long-term strategic goals to develop steadily and sustainably the company. Achievements during the year are as follows:

- ***Delegating crude oil import and export:*** Safely and effectively exporting all crude oil of Vietnam; providing sufficiently and timely crude oil for the operation of Dung Quat refinery.
- ***Manufacturing petroleum:*** ensuring sufficient supply of E5 RON 92 petrol to meet market demand with reliable quality.
- ***Petroleum distribution business:*** Keeping the distribution network stable; focusing on the development of retail channel – a channel of sustainability and efficiency (through promoting the development of petrol stations, improving service quality under projects 1114 and 808, diversifying services, payment methods through PVOIL Mobile, PVOIL Easy...); seeking more industrial clients to increase production; building stable customers network for retail channel, working with the company through PVOIL Easy program.
- ***Communication and brand promotion activities*** has been implemented in various forms, enhancing the reputation and brand value of PVOIL.

- **Corporate governance capabilities** continued to be focused, creating a solid foundation for long-term development goals.

7.2. Limitations

Aside from the achieved results, there are still some limitations:

- The finalization of equitization was delayed, PVOIL could not divest State capital as planned.
- Investment and development of petrol stations was behind schedule.
- Consolidated profit has not met the target and decreased compared to prior period.
- The restructuring of bio-fuel plants has not achieved the desired results.

II. Business plan for 2020

1. Forecasting

In 2020, the prices of crude oil and petroleum are projected to be unpredictable, depending on the global geopolitical factors.

In just a short time, due to the negative impact of the Corona – Covid 19 pandemic, crude oil price continued to plummet, falling by more than 60% compared to the beginning of the year, to the lowest level in the past 4 years.

The global and domestic economy are forecast to be difficult to achieve the expected growth at the beginning of the year (the government set a target of 6.8% GDP growth in 2020) because many activities have been delayed for a long time due to effects of the pandemic. The demand for petroleum consumption plummeted (around 20%).

In term of petroleum business operation, the government continued to maintain the 15-day price adjustment period and through tax, price stabilization fund, and efforts to control the market with various methods. Decree 83/2014/CP is likely to be revised towards a more restrictive and unfavorable trend for focal petroleum business enterprises.

The domestic market is becoming more competitive due to new licensed focal businesses and distributors, while the illegal trading situation is still complicated.

Dung Quat refinery will be shut down for turn-around for about 50 days from beginning of August 2020 and Nghi Son refinery has not been operated stably, which will make it more difficult for businesses in the year.

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.

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.

3. Major objectives

Based on long-term goals and medium-term market forecasts at the beginning of the year (excluding the effects of the Covid-19 pandemic and the decline in oil prices), the Corporation constructed the major objectives for 2020 as follows:

3.1. Volume and finance targets:

| No. | KPI | Unit | Plan 2020 | Compare to Result 2019 |
|-------------|--|--------------------------|-----------------------|------------------------|
| I | Volume targets | | | |
| 1 | Export/sale volume of crude oil (including supply to Dung Quat refinery) | 1000 tons | 8,890 | 80% |
| 2 | Produce petroleum, lubricant | 1000 m ³ /ton | 604 | 100% |
| 3 | Petroleum trading volume | 1000 m ³ /ton | 3,250 | 102% |
| | - Retail weight | % | 27% | Increase 0.6 bps |
| II | Financial targets | | | |
| II.1 | Consolidated targets | | | |
| 1 | Revenue (**) | VND billion | 52,200 | 65% |
| 2 | Profit before tax | VND billion | 470 | 114% |
| 3 | Profit after tax | | 376 | 108% |
| 4 | Payment to State Budget | VND billion | 8,260 | 71% |
| II.2 | Holding company | | | |
| 1 | Revenue (**) | VND billion | 32,200 | 100% |
| 2 | Profit before tax | VND billion | 350 | 102% |
| 3 | Profit after tax | | 280 | 88% |
| 4 | Dividend | % | 2% of charter capital | |

(**) Projected revenue at crude oil price of USD 60 per barrel

3.2. 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 2020 with the following targets:

| No. | Investment item | Quantity | Value (VND billion) | Compare to result 2019 |
|-----|---------------------------------------|-------------|---------------------|------------------------|
| 1 | Build and renovate storages and ports | | 96 | 165% |
| 2 | Build and renovate petrol stations | 39 stations | 99 | 55% |

| No. | Investment item | Quantity | Value (VND billion) | Compare to result 2019 |
|-----|-----------------------------------|----------|---------------------|------------------------|
| 3 | Other purchases | | 110 | 133% |
| | TOTAL | | 305 | 95% |
| | <i>In which: - Parent company</i> | | 111 | 85% |
| | <i>- Subsidiaries</i> | | 194 | 103% |
| | <i>Invest from equity</i> | | 203 | 77% |

The Corporation's targets for 2020 are built on the basis of oil price of USD 60/barrel and no significant volatility of market indicators.

However, since the end of January 2020, the pandemic of acute respiratory infections Covid-19 broke out and spread quickly, and has continued to negatively affect all aspects of socio-economic life on the globe. Crude oil price dropped sharply, from the average of USD 63.5/barrel in January to USD 18.55/barrel in April. For the first time in history, WTI futures oil price in May collapsed to the negative level USD (37.63)/barrel on April 20, 2020. Brent oil price dropped to the lowest level on April 21, 2020 at USD 13.2/barrel - 80% loss of value compared to January 1, 2020, the lowest level in 18 years.

Influenced by the Covid-19 pandemic, global and domestic petroleum demand fell sharply due to blockade measures, limited travel on a large scale and stalled production.

In the context of the double impact of the crisis caused by the Covid-19 pandemic and the decline in oil prices, the output of petroleum business in the first 5 months of PVOIL plummeted (down 14% compared to the plan), particularly 20% reduction in April when the Government implemented the measure of social isolation.

The impact of the pandemic is expected to be prolonged, and the price of oil is also difficult to recover to the forecast level (USD 60/barrel), which will certainly continue to negatively affect the business performance of the Corporation in 2020, at the present time there is not enough basis to fully assess the extent of damage.

Therefore, PVOIL proposes the General Meeting of Shareholders to authorize the Corporation's Board of Management to decide to adjust the operation plan for 2020 in the appropriate time based on the actual situation, report the results at the following General Meeting of Shareholders and disclose information to shareholders in accordance with regulations.

4. Implementation solutions

4.1. Comprehensive restructuring resources of the Corporation

- Restructuring and rearranging the network of petroleum business subsidiaries; proceeding to transform the organizational structure and operation of the Corporation;
- Capital restructuring: continue divesting in associated companies operating non-core business activities. Divesting at PETEC and thoroughly solving issues related to bio-fuel plants.
- Restructuring assets of the whole system on the basis of matching the demand to increase asset efficiency.

4.2. Solutions for market and products

- Closely monitoring the development of market, management of the government to be flexible in the stages of creating/supplying resources, maintaining rational inventory.

- Continuing to focus on increase of volume output and proportion of sales into direct consumption channels (petrol stations and industrial customers) through the implementation of projects 1114, 808, programs PVOIL Easy, PVOIL Mobile, ...
- Promoting creative research, diversify business and payment methods by applying 4.0 technology ... to create competitive advantage.
- Deploying non-oil business activities at petrol stations.

4.3. Improvement of corporate governance

- 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.
- Strengthening management and supervision through the completion of the system of internal protocols and direct inspection and supervision of the operation of the system; Promoting the practice of cost-saving, combat wastefulness and expense reduction.
- Focusing on training and developing high quality human resources to meet the long-term goals of PVOIL.

PetroVietnam Oil Corporation reported the business performance in 2019 and business plan for 2020 to the General Meeting of Shareholders for consideration and approval.

We would like to sincerely thank and wish the delegates, guests, and shareholders health, happiness and success./.

PRESIDENT & CEO

(signed)

Cao Hoai Duong

No.: 02 /BC-DHDCD

Ho Chi Minh City, June 05 , 2020

**REPORT OF THE BOARD OF MANAGEMENT
AT THE SHAREHOLDERS ANNUAL GENERAL MEETING 2020**

To: Petro Vietnam Oil Corporation's AGM

A. The operation of the Board of Management (BOM) in 2019

1. Business performance in 2019 of Petro Vietnam Oil Corporation

1.1 Fundamental Conditions of the domestic economy

Gross Domestic Product (GDP) reached impressive achievement with a growth of 7.02% in 2019, exceeding the National Assembly's target of 6.6% to 6.8%, in which the industrial sector maintained a good growth with the extractive sector initially gained slightly 1.29% after three consecutive years of decline. However, in the extractive sector, crude oil production declined in 2019.¹

1.2. Managing the petroleum market of the Government

In 2019, the global prices of crude oil and petroleum products still increased/decreased continuously with large amplitudes due to the impact of many geographical factors and world politics. The Government continued to regulate retail petroleum prices on a 15-day cycle. At some points, the movement of domestic prices changed slowly compared to global prices, causing many difficulties for focal firms.² Other tools such as the stable price fund, petrol import tax rate were still applied by the Government in managing the petroleum business. Environmental protection tax for petroleum products and lubricants increased from January 1, 2019.

1.3. The impact of the domestic petroleum market on PVOIL

In 2019, there were periods when Nghi Son Refinery stopped operating or operated at about 50% of capacity³, leading to difficulties of Petro Vietnam Oil Corporation in securing sources and generating costs related to the import and distribution of goods.

The bidding prices of Condensate in the first few months of 2019 were very high (due to some customers buying to produce solvent products), greatly affecting the efficiency of gasoline blending of PVOIL. Demand for E5 RON92 gasoline declined because it has not attracted consumer tastes.

The business cost of PVOIL was higher upon transformation to a joint-stock

¹ According to the "Press release on socio-economic situation in the 4th quarter and 2019 (December 27, 2019)" of the General Statistics Office.

² In 2019, there were 24 times of regulating petroleum prices under a 15-day cycle. In which, petroleum prices had experienced 9 times increased, 11 times decreased and 4 times remained the same. The highest retail price of RON95 gasoline was VND 22,190/liter after the adjustment on May 2, 2019, and the lowest at the beginning of the year on January 2, 2019 was VND 17,600/liter.

³ Nghi Son Refinery shut down the operation because of an incident from February 24, 2019 to the end of March 2019; In July, Nghi Son Refinery continued the unstable operation due to changing catalytic chemical Module 2 and running at 50% capacity, lasting until the middle of August; In the 4th quarter of 2019, Nghi Son Refinery stopped for maintenance for about 45 days (from October 22, 2019).

company because revaluation increased the Enterprise value by about VND100billion.

These external factors have adversely affected the business operation of PVOIL in 2019.

1.4. The main missions in 2019

Despite facing many difficulties and challenges from the external environment, PVOIL has always followed the main missions to carry out business. Specifically:

- Exporting/selling safely and effectively the entire volume of crude oil/condensate produced domestically and abroad safely and effectively; providing sufficient domestic crude oil for Dung Quat refinery;
- Maintaining market share, distribution network, promoting petroleum products trading activities, focusing on increasing the proportion of sales to direct consumption channels;
- Continuing to implement restructuring according to the restructuring plan of PetroVietnam Oil Corporation in the 2016-2020 period;
- Investing and developing petrol stations in line with the business strategy of PVOIL;
- Developing plans and solutions to restructure and improve the operational efficiency of the entire system of petrol stations;
- Strengthening the cost management, product cost reduction; strengthening system administration, brand development of PVOIL.

With the attempts and efforts of the whole system, PVOIL has achieved the following fundamental business targets:

| No. | Item | Unit | Plan 2019 | Result 2019 | Compare Result/Plan(%) |
|-----|--|---------------------|------------|-------------|------------------------|
| 1 | Marketing/sale of crude oil | 1,000 m3/ton | 10,600 | 11,052 | 104% |
| 2 | Supply crude oil for BSR (domestic and import) | 1,000 m3/ton | 6,700 | 7,603 | 113% |
| 3 | Production of petroleum, lubricant | 1,000 m3/ton | 604 | 604 | 100% |
| | <i>In which: E5 petrol</i> | <i>1,000 m3/ton</i> | <i>600</i> | <i>567</i> | <i>95%</i> |
| 5 | Trading petroleum products | 1,000 m3/ton | 3,200 | 3,185 | 100% |
| | <i>In which: Retail percentage</i> | <i>%</i> | <i>26</i> | <i>26.4</i> | <i>102%</i> |
| 6 | Consolidated Revenue | VND billion | 49,000 | 80,294 | 164% |
| 7 | Parent company's profit before tax | VND billion | 340 | 342 | 101% |
| 8 | Consolidated profit before tax | VND billion | 440 | 412 | 94% |

2. The operation of the BOM in 2019

2.1. The organizational structure and operating mechanism of BOM

- Petro Vietnam Oil Corporation has officially transformed to a joint-stock company since August 1, 2018. The BOM for the first term (from 2018 - 2022) consists of 7 members, including one member of the BOM cum CEO and 2 independent members, 6/7 members of BOM operating under one position mechanism and 01 member operating under concurrent position mechanism. The Chairman of the BOM is Mr. Nguyen Hoang Tuan.

- The BOM of PVOIL operated according to specific organizational rules and principles, with the assignment and coordination among members of the BOM, with the coordination between the BOM and the CEO to smoothly manage and lead the activities of the Corporation.

- The specific duties of the members of the BOM of PVOIL were stipulated under Decision No. 143/QĐ-DVN dated September 11, 2018, signed by the Chairman of the BOM.

2.2. Operation of the BOM

In 2019, the BOM has operated in accordance with the functions, duties and powers stipulated in the Corporation's Charter and the Law on enterprises; kept abreast of the Equitization Plan approved by the Prime Minister, the Resolution of the Annual General Meeting of Shareholders (AGM) and the actual situation of the Corporation to manage the Corporation's activities. Key duties implemented as follows:

- The Corporation's management completed the business plan assigned by the AGM; kept healthy financial situation; preserved and developed capital.

- Deciding on the work of organization and employees under the authority of the BOM.

- Deciding and directing to closely supervise investment activities under the authority of the BOM; Adjusting investment plans, stopping expansion of investment projects which were not necessary, focusing resources to accelerate the progress of key projects.

- Carrying out the management of investment capital and the representative of PVOIL in accordance with the provisions of the State law and the Regulation on management of investment capital of PVOIL in other enterprises.

- Directing the implementation of the restructuring plan of the Corporation under the policies approved by the Vietnam Oil and Gas Group, specifically as follows: i) Completing the division of PVOIL Laos into 2 companies: Export-import company and Distribution company in line with Decree 331 of the Laos Government, putting into operation on June 1, 2019; ii) Continuing to execute divestments in associated companies which are inefficient and not part of the core business: Mekongtrans, PetroTrans, Ca Mau Trade, Petroland, and PVOIL KienGiang; iii) Implemented restructuring business units facing difficulties: PVOIL Bac Lieu, PVOIL Tra Vinh, PVOIL Phu My, PVOIL Trans; iv) Developing a plan for restructuring and more efficient use of properties of petroleum depots and petroleum stations; cost reduction in the entire system; ...


- Directing to handle biofuel projects under the Scheme on handling ineffective projects of the Government and the guidance of the Ministry of Industry and Trade, Commission for the Management of State Capital at Enterprises and the Group. Regularly

updating information on biofuel projects and reporting to the competent authorities as prescribed.

- Directing making plans for reorganizing, managing, operating and utilizing key depots in the whole system.
- Directing the investment in the development of the system of petrol stations and strategic warehouse systems to ensure the sustainable development of PVOIL.
- Directing the formulation of the business plan in 2020 and other plans for submission to the AGM; the preparation of content and organization of the AGM in 2020.
- Directing the strengthening of the inspection and supervision of the operation of the business units that are invested by PVOIL; requesting the Capital Representative of the Corporation to take measures/look for solutions to overcome the shortcomings in the operation of the unit indicated by the internal and external inspection teams; building solutions to enhance management, improve capital efficiency. Paying special attention to the management and control of debts, operating expenses in the whole system; the debt status in the whole system is strictly controlled and did not generate new bad debts.
- Directing the review, amendment, completion and promulgation of the system of internal management documents in line with the model of joint-stock company and actual operation of PVOIL in each period; promulgating regulations applying to listed public companies; reviewing, improving and implementing internal regulations relating to the decentralization and delegation between BOM and CEO.
- The coordinating closely, regularly between BOM, BOD and the Board of Supervisors in implementing resolutions of AGM and BOM; enhancing the compliance in the management and administration of the Corporation's operations, ensuring the compliance with the laws and internal regulations.

2.3. Activities of the members of BOM


In addition to performing the rights and duties as prescribed by law, the Charter on organization and operation of PVOIL – JSC, each member of the BOM has planned, supervised, urged the BOD to implement the Resolutions and Decisions of the AGM, the BOD; actively exchanged, discussed and gave opinions in the field assigned to them, specifically:

 Mr. Nguyen Hoang Tuan –Chairman of BOM

- Taking general responsibility for managing and administering activities of the BOM according to the provisions of the Law on enterprises and the Corporation's Charter. On behalf of the BOM approving Resolutions, Decisions and documents under the authority of the BOM.

- Directly aiming the formulation and implementation of the strategy; Personnel Organization; Promulgating and amending the Regulations, and General Policies of the Corporation.

- Directly leading the activities of the Corporation's Internal Control.

 Mr Cao Hoai Duong –BOM member cum CEO

- Performing functions and duties of the Chief Executive Officer of the Corporation - The legal representative of PVOIL.

- Directly controlling State divestment in PVOIL, salary and bonus from the parent company.

🚩 Mr. Le Van Nghia–BOM member

- Supervising activities of arranging capital, relationships with financial institutions; Inspecting, supervising/auditing throughout the system.

- Attending to grasp information and direct at the Corporation's meetings on finance, inspection and supervision.

🚩 Mr. Nguyen Viet Thang - BOM member

- Supervising business activities, trade and market development in the whole system.

- Attending to grasp information and directing at the Corporation's meetings on business, commerce and markets.

🚩 Mr. Hang Anh Minh –Independent BOM member

- Supervising investment activities, formulate and implement plans at the Parent Company and its subsidiaries.

- Attending to grasp information and directing at the Corporation's meetings on planning and investment.

🚩 Mr. Le Ngoc Quang - Independent BOM member

- Supervising technology activities, techniques, production and processing in the whole system.

- Attending to grasp information and directing at the Corporation's meetings on manufacturing, processing and technology.

🚩 Mr. Tran Hoai Nam –NoncurrentBOMmember

- Supervising and supporting to attract foreign investment, develop new business fields of the Corporation.

2.4. Periodic activities

From January 1 to December 31, 2019, the Board of Management held 04 periodic meetings to discuss/approve the following important issues:

| No. | Meeting minutes | Content | No. of BOM member participate |
|-----|---------------------------------|--|-------------------------------|
| 01 | No. 64/BB-DVN March 14, 2019 | <ul style="list-style-type: none">- Listening to the reports: 1) Business performance of PVOIL in 2018 and Quarter 1/2019; 2) Summarizing and evaluating the results of implementing the Resolution of the BOM in 2018; 3) Preparation for the 2019 Annual General Meeting of Shareholders of PVOIL.- Proposals of the BOD to the BOM and updated some of the difficulties and solutions of the | 7/7 |

| | | | |
|----|-------------------------------------|--|-----|
| | | BOM for the parent company and business units. - The BOM members requested the BOD to deploy the work according to the assigned division. - Discussing the content of the Proposals of the BOM and some other issues. | |
| 02 | No. 302/BB-DVN October 19, 2019 | - Business results in the first 10 months of 2019, the targets for the last 2 months of 2019 and the targets for 2020 of PVOIL. | 7/7 |
| 03 | No. 342/BB-DVN November 20, 2019 | - Divestment in subsidiaries/associates, financial investments of Petec in Report No. 138/TTr-TGD dated November 06, 2019. - Content of personnel work under the direction of Vietnam Oil and Gas Group in Document No. 1749/DKVN-QTNL dated November 11, 2019. | 6/7 |
| 04 | No. 360/BB-DVN December 10, 2019 | - Discussing the change of owner of PVOSN shareholders - Sebrina Trading Company (Vietnam) Pte Ltd according to the Report No. 149/BC-TGD dated December 2, 2019 of the CEO of the Corporation. | 6/7 |

During the year, the BOM conducted 114 written surveys and issued 81 resolutions to manage/direct the Corporation's activities in the following aspects:

| No. | Resolution subjects | No. of resolutions |
|---------------|---|--------------------|
| 1 | Organization - Human Resources - Salary | 27 |
| 2 | Operation | 19 |
| 3 | Divestment – Restructuring | 8 |
| 4 | Investment – Transfer - Leasing assets | 3 |
| 5 | Finance | 6 |
| 6 | Directing meetings of the Board of members/BOM/AGM/abnormal | 18 |
| Total: | | 81 |

General assessment:

-The BOM meetings were convened in line with the provisions of the Law on Enterprise and the Corporation's Charter. Issues under the authority of BOM were considered and voted on the principle of "majority" and were issued in the form of written resolutions and decisions. The resolutions/decisions of BOM were fully, timely and in compliance with the regulations of BOM and the Board of Supervisors.

- The resolutions/decisions issued by BOM were fully and actively implemented by BOD, Provisions/Departments and subsidiaries, and achieved the goals of the BOM of Corporation set out.

2.5. Results of the supervision of the Corporation's management and administration of CEO and managers

In 2019, CEO and managers were proactive and drastic in the management; deployed additional sales methods and new forms of payment to increase retail petroleum output, improved the efficiency of the Corporation's performance, and fulfilled duties according to the contents of the AGM's resolutions and direction of BOM.

In the process of managing the Corporation's operations, CEO and managers complied with the decentralization in the Corporation's Charter and internal regulations, resolutions of the General Meeting of Shareholders and the provisions of law; CEO always fully implemented and strictly executed the resolutions and decisions of BOM.

Fully implementing regulations on information disclosure for listed companies.

2.6. Evaluation results of the Independent Member of the BOM on the activities of the Corporation's BOM in 2019

In the structure of BOM of PVOIL, there are 02 independent members of BOM. During the year, the Independent Members of BOM have performed correctly the duties and tasks assigned by AGM; fully participated in meetings and contributed independent opinions and votes on issues that require a decision of BOM; participated in supervising and directing the activities of BOD assigned by BOM.

In 2019, assessing the operation of Corporation's BOM, the Independent Member of BOM noticed that:

- The BOM of PVOIL in 2019 worked with a sense of responsibility and transparency in management; full compliance with the regulations for public companies. BOM has held periodic meetings; collected members' written surveys to approve issues under its rights; regularly directed and supervised the implementation of Resolutions of BOM and AGM.

- At PVOIL, State shareholders as well as other shareholders, expect the value of the Corporation to increase. The members of BOM are representatives of state capital, so in addition to the duty to comply with the corporate governance, they also take the legal responsibility and preserve the state capital. The operation of the Corporation depends quite heavily on the fluctuations of global oil prices and was in the general difficulties of the industry in the last months of 2019. Independent members of BOM noticed that BOM and BOD of the Corporation tried their best to propose and protect the State's commitments and policies that were most beneficial to the Corporation and sought appropriate, effective operating solutions in the complicated situation of the petroleum market.

- The core business of the Corporation is in the petroleum sector, the State shareholder dominates the capital, every year in addition to the independent audit selected by the shareholders, the shareholders can rely on the regular documents and reports reviewed and supervised by state management agencies such as Inspectors of departments, tax authorities, and State Auditors.

General assessment: In 2019, BOM has completed its duties and tasks assigned by AGM.

2.7. Remuneration and operating expenses of the Board of Management

- Salary, remuneration and operating expenses of BOM comply with the resolution of AGM in 2019.

- Details of salary and remuneration fund implemented in 2019 are as follows:

Unit: VND Million

| No. | Title | Number | Projected salary and remuneration fund approved by BOM in 2019 | Actual salary and remuneration fund | | |
|----------------------------------|-----------------------|----------|--|-------------------------------------|--------------|--------------|
| | | | | Salary, allowance | Remuneration | Total |
| 1 | Chairman of BOM | 1 | 1,074 | 1,071.5 | | 1,071.5 |
| 2 | BOM's member cum CEO | 1 | 1,074 | 1,071.5 | | 1,071.5 |
| 3 | Executed BOM member | 4 | 3,602 | 3,595 | | 3,595 |
| 4 | Concurrent BOM member | 1 | 180 | | 180 | 180 |
| Total: | | 7 | 5,930 | 5,738 | 180 | 5,918 |
| <i>Average:NDmn/person/month</i> | | | | 79.7 | 15 | |

(Details of remuneration of the Board of Management are summarized and shown in the audited financial statements 2019).

- Operating expenses of the Board of Management in 2019: Administrative and related expenses for the operation of the Board of Management comply with the Operation Regulations of the Board of Management and the Financial regulations, Internal expenditure limits of the Corporation.

3. Operation plan in 2020

In 2020, the action plan of BOM will focus on the following subjects:

1. Directing the successful implementation of business targets according to the resolutions of AGM in 2020; focusing on solutions to enhance competitiveness and continuing to improve the efficiency of operation of the Corporation; reviewing/directing the reorganization of the petroleum business system, researching and applying more new business methods to increase petroleum sales through retail channels and industrial customers; deploying creative/feasible solutions to maintain steady market share, distribution system, to boost petroleum production operating and trading activities, and to ensure efficiency and absolute safety in the operation of the whole system.

2. Leading to strengthen cost management, lower costs/cost of goods to enhance competitiveness, increase operational efficiency from the Corporation to its business units. Strengthening the inspection, supervision and evaluation of operational efficiency of business units to closely, safely and effectively ensure the management, raising and use of capital for the right purpose. Direct the implementation of special supervisory measures according to regulations that are applicable to Member units which had business operation being at a loss, and Member units which had signs of financial insecurity. Implementing

measures to cope with the impact of the pandemic to the production and business of PVOIL.

3. Restructuring: The Corporation's BOM continues to direct/assign tasks to the Representatives at the Subsidiaries to closely follow the Corporation's restructuring plan approved by the Group to develop, to submit plans and solutions to the Corporation for consideration and implementation, ensuring the restructuring is carried out effectively, quality and timely.

4. Equitizationfinalization of PVOIL: Continuing to focus on directing the equitizationfinalization to be soon approved by the Group and competent authorities.

5. Restructuring assets: Directing to continue reviewing, arranging, and reorganizing the capacity structure, storagestructure; Increasing storage capacity, the ability to import and export in advantageous warehouses; transferring or leasing capacity to enhance the efficiency of asset use/exploitation.

6. Investment activities: Focus on directing and speeding up the completion of transition projects from 2019, ensure progress and efficiency; Promote investment and development of petrol stations in the whole system in accordance with the development strategy of the Corporation; Research and develop a business plan of Jet fuel A1; Temporarily suspend and delay the implementation of projects that are not urgent; continue handling and reporting to competent authorities to approve/decide solutions of some ineffective assets and investment projects left from the pre IPO period.

7. Financial management and risk management: Continuing to closely supervise financial management, risk management throughout the system, in order to enhance the efficiency of capital balance, cash flow and debt managementto not generate new bad debts, taking measures to promote the recovery of outstanding and bad debts, and ensuring a healthy financial situation.

8. Biofuel Factories: Depending on the actual operating of each plant, the Corporation will continue to closely follow the direction of BOD to handle shortcomings and weaknesses of some projects and enterprises that are ineffective, slow to progressof Industry and Trade to develop specific plans for each factory and submit to competent authorities for consideration and handling in line with regulations. In the short-term, the Corporation will direct the Capital Representatives at some Biofuels plants: Binh Son,Binh Phuoc, PhuThoto work with other shareholders and other related parties to implement the maintenance, protection plan of assets with minimum cost.

9. Continuing to closely follow the Group's guidelines and the actual circumstances for construction; to timely amend and supplement to the Corporation's business strategies and plans.

10. Directing to continue implementing solutions to enhancecorporate governance in the whole system; promoting the implementation of scientific research and application of information technology in management, administration and control of the system to improve transparency, publicity and efficiency in corporate governance.

**ON BEHALF OF BOARD OF MANAGEMENT
Member of the BOM cum President & CEO**

(signed)

Cao Hoai Duong

No: 03/BC- DHDCD

Ho Chi Minh City, June 05, 2020

REPORT
ON MONITOR AND EXAMINATION RESULTS IN 2019,
AND OPERATING PLAN FOR 2020 OF THE BOARD OF SUPERVISORS

To: General Meeting of Shareholders of Petro Vietnam Oil Corporation - JSC

Pursuant to the Law on Enterprises No. 68/2014/QH13 dated November 26, 2014 of the National Assembly;

Pursuant to Decree No. 71/2017/ND-CP dated June 6, 2017 of the Government;

Pursuant to Circular No. 155/2015/TT-BTC of the Ministry of Finance dated October 6, 2015 guiding the disclosure of information on securities markets;

Pursuant to the Corporation Charter of Petro Vietnam Oil Corporation - JSC issued with the Resolution of the General Meeting of Shareholders No. 01/NQ-DHDCD dated July 30, 2018;

The Board of Supervisors of Petro Vietnam Oil Corporation - JSC respectfully reports to the General Meeting of Shareholders the operation situation in 2019 and the operation plan for 2020 as follows:

PART I

OPERATION REPORT OF THE BOARD OF SUPERVISORS IN 2019

I. THE IMPLEMENTATION OF THE OPERATION PLAN OF THE BOARD OF SUPERVISORS (BOS)

1. For The Board of Supervisors

1.1. Results of supervision of the operational and financial situation of the Corporation

Based on the provisions of the Law on Enterprises and the Corporation Charter, in 2019, the BOS has performed the tasks of monitoring and examining business, investment and financial activities at the Corporation, the main duties include:

- Monitoring and examining the compliance with regulations on petroleum trading;
- Monitoring and examining the investing, purchasing and managing of fixed assets and goods;
- Monitoring financial and capital management; external financial investment;

- Inspecting the compliance with the Charter and resolutions of the General Meeting of Shareholders (GMS), the implementation of regulations, resolutions, decisions and directives of higher management;
- Reviewing the implementation of proposals of the Minutes of the inspection, audit teams;
- Evaluating the financial monitoring reports of the Board of Management (BOM), the quarterly/annual financial statements of the Corporation and other inspection and supervision tasks according to the plan.

The supervision is carried out through the review of daily documents, periodic and irregular reports of the Corporation and its business units; through information provided by the competent authorities; examination and auditing results of state management agencies and higher management; directly coordinate in inspection at a number of depots, branches and business units.

On a quarterly basis, BOS has established a report on the results of the inspection and supervision of the Corporation's activities, including the following reports:

- Periodic examination report of BOS in Quarter 1/2019 in Document No. 125/BC-DVN dated April 5, 2019;
- Periodic examination report of BOS in Quarter 2/2019 in Document No. 252/BC-DVN dated July 5, 2019;
- Periodic examination report of BOS in Quarter 3/2019 in Document No. 388/BC-DVN dated October 7, 2019;
- Periodic examination report of BOS in Quarter 4/2019 in Document No. 12/BC-DVN dated January 8, 2020;
- Reporting the evaluation results of the financial supervision report for the first 6 months of 2019 of the BOM of the Corporation in Document No. 346/BC-DVN dated September 11, 2019;
- The evaluation report of the Financial Statement Quarter 1/2019 of the Holding Company and the consolidation of PVOIL in Document No. 180/BC-DVN dated May 17, 2019;
- The evaluation report of the Financial Statement Quarter 2/2019 of the Holding Company and the consolidation of PVOIL in Document No. 327/BC-DVN dated August 30, 2019;
- The evaluation report of the Financial Statement Quarter 3/2019 of the Holding Company and the consolidation of PVOIL in Document No. 450/BC-DVN dated November 19, 2019;
- In the process of conducting the evaluation of the Holding Company Financial Statements and PVOIL Consolidated Financial Statements for Quarter 4 and the full year of 2019.

In 2019, the BOS participated in 04 meetings of the BOM and other meetings of the BOD of the Corporation.

In the monitoring reports, appraisal reports and at meetings, the BOS had some opinions on the situation of business, investment, finance and some outstanding issues in the Holding Company - Corporation and business units.

For petroleum trading activities, due to some information not received timely, the evaluation and supervision of this activity by the BOS are limited.

Through regular, continuous and systematic inspection, both directly and indirectly, even though it is limited, BOS has basically grasped the operation business and finance of the Corporation and business units.

With the most careful level, after the discussion, the BOS made a number of consultations, warnings and proposals about the outstanding issues in the management and administration at the Corporation.

1.2. Meetings of the Board of Supervisors

During the year, the BOS organized 03 meetings, details as follows:

The 1st time: June 19, 2019

- Participants: Including 03/03 members of the BOS;
- Content: Amendment of the Board of Supervisors' assignment No. 06/BKS-DVN dated September 11, 2018 and related issues, including Supervisor disagreeing with the Chairman's assignment and actively handed over some of the work said Supervisor is monitoring.

The 2nd time: July 12, 2019

- Participants: Including 03/03 members of the BOS;
- Content: Reviewing and commenting on the selection of the auditing service provider for the financial statements in 2019, whereby all 3/3 members agree with the proposal of the BOD on the designation of the Deloitte Vietnam Company Limited is the auditor for the financial statements of 2019.

The 3rd time: November 28, 2019

- Participants: Including 03/03 members of the BOS;
- Content: Reviewing and commenting on the draft operation plan for 2020 of the BOS of Petro Vietnam Oil Corporation - JSC, whereby all 3/3 members agreed with the draft and the approved plan.

In addition, in the process of monitoring and making periodic reports, the Chairman and each Supervisor regularly discuss to identify the important contents that need to be focused or added, each Supervisor and Chairman discussed, clarified the contents that Supervisors review or recommend.

2. For members of the Board of Supervisors

2.1. Mr. Nguyen Duc Ken – Chairman of the Board of Supervisors

- Implementing the responsibilities, duties on the inspection and supervision of the management, administration of operation business, investment and finance activities at the Corporation, and the management of the Corporation's investment capital in other enterprises as prescribed;

- Organizing the operation plan in 2019; making and reporting the draft operating plan of the BOS for 2020 to submit to the competent authorities for promulgation to implement. Regularly researching, exchanging and commenting on professional fields, always maximizing team strength and each member of the BOS to perform their best. Urging Supervisors to complete the tasks according to the approved plan;

- Assigning tasks for BOS members in Document No. 06/BKS-DVN dated September 11, 2018 and the Minutes of BOS meeting dated June 19, 2019; regularly maintaining activities and taking overall responsibility for the work of the Board. Preparing and issuing reports on the results of inspection, supervision and evaluation reports on financial supervision reports, quarterly/annual financial statements as prescribed and general appraisals and assessments other reports;

- Directly inspecting and supervising the fields of delegated agents selling crude oil, the export and import of crude oil and oil products; summing up the implementing of the resolutions of the GMS and the instructions of higher management; supervising a number of scopes that Supervisors do not do and hand over, including: Business, distribution of petroleum products; financial investment and efficiency of capital contribution to other businesses;

- Directly making a general report of the BOS on the inspection, supervision and evaluation report of quarterly/annual financial statements; Inquiring the BOM and the BOD for consultation before sending the official report to the competent authorities;

- Organizing discussions with the management of the Corporation and the management of the relevant functional departments about outstanding issues and solutions to overcome; Exchanging and summarizing opinions and recommendations of Supervisors; Directly making comments in the managing scopes, supplementing the proposals in the areas that each supervisor monitors if necessary. Reports and recommendations have been submitted to the competent authorities;

- Directly attending meetings of the BOM; Taking part in and assigning Supervisors to attend meetings hosted by the CEO and other related meetings.

2.2. Ms. Tran Thi Phuong - Supervisor

- Monitoring, evaluating, writing reports on capital management in cash, debt management, including monitoring the handling and recovery of outstanding debts, bad debts; Overseeing the expense management, cost-effective practice and anti-wastefulness, writing reports on results of business activities of the Holding Company and the companies that are contributed capital; Monitoring the equitization finalization of PVOIL and Petec and supervising the overcoming of recommendations stated in the inspection records of the competent authorities.

- Quarterly making draft reports on inspection, supervision and evaluation reports of financial statements according to the monitoring; proposing to strengthen the management and collection of outstanding debts at the Holding Company and the business units; underwriting for PVOIL Laos; the implementation of the proposal of additional payment

of environmental protection tax in 2015 at the request of the State Audit Office, tax management authorities. Supervisor's reports sending to the Chairman were recorded in the official documents to be archived and to record for comments, then sent to the Chairman to sum up and prepare general reports.

- Making the draft operation plan for 2020 for the members of the BOS.

2.3. Mr. Pham Thanh Son - Supervisor

- Collecting information, creating a report on construction investment, purchasing, management of goods - assets; petroleum transportation costs; labor and salary and organizing resolutions, decisions, regulations and internal protocols.

- Quarterly, preparing a report on inspection, supervision and evaluation report of financial statements in accordance with the assigned tasks; Drafting evaluation report of the Holding Company's salary and remuneration fund. However, in the draft reports, Supervisors almost had no comments of summary, feedback or recommendations on the management and administration of the Corporation.

- The Supervisor's reports sending to the Chairman were recorded in the official documents to be archived and to record, then sent to the Chairmant to summarize and prepare general reports.

- Cooperating with the inspection team of the Corporation to directly inspect PVOIL Ba Ria Vung Tau, PVOIL Mien Dong; PVOIL Dinh Vu and PVOIL Quang Ngai;

II. REMUNERATION, OPERATING EXPENSE AND OTHER BENEFITS OF THE BOS AND EACH MEMBER

- Based on the provisions of Decree 53/2016/ND-CP dated June 13, 2016, Circular 28/2016/TT-BLDTBXH dated September 1, 2016 and related instructions, the BOM of the Corporation issued Decision No. 180/QD-DVN dated March 7, 2019 promulgating the Regulations on salaries, job-specific allowances, remuneration and bonuses for Managers as the basis for implementation. Salaries and bonuses of the BOS in 2019 were as follows:

Unit: VND Million

| No. | Title | Numbers | The total planned salary fund in 2019 approved by GMS | Total actual salary fund in 2019 |
|--------------|---------------------|----------------|--|---|
| 1 | Chairman of the BOS | 1 | 900 | 899 |
| 2 | Supervisor member | 2 | 1,525 | 1,521 |
| Total | | | 2,425 | 2,420 |

- The operating costs of the BOS: Supervisors worked regularly at the Corporation, using the working room, utilities, equipment, tools and expenses according to quota were applied in the internal regulations of the Corporation. Expenses recognized and accounted into operating expenses of the Corporation according to current regulations.

III. BUSINESS PERFORMANCE OF THE CORPORATION

During the year, the Corporation followed the approved plan, implemented with effort business activities and achieved performance as follows:

- Exporting/selling safely and effectively the entire volume of crude oil/condensate extracted at home and abroad; Sufficient supply of crude oil for Dung Quat Oil Refinery. The outputs of crude oil distribution for export/sale were over **4.45 million tons**, provided crude oil for Dung Quat refinery over **7.60 million tons**.

- Maintaining a stable market share, distribution system, promoting petroleum business, focusing on the increase in the proportion of selling direct-to-customer channels; Petroleum business volume reached **3.19 million m³/ton**, in which retail proportion was **26.4%**.

- Supply guarantee: During the year, the Holding Company imported petroleum products of **2,701.02 thousand m³** worth **VND 32,041.03 billion**.

- Distribution: During the year, the Holding Company delivered for business units/customers **2,715.86 thousand m³**, worth **VND 32,164.13 billion**.

- Production of petroleum, lubricant reached **604 thousand m³/ton**, of which mainly E5RON 92 petrol reached **567 thousand m³**.

- The Holding Company's operating revenue in 2019 reached **VND 31,773.53 billion**, profit before tax of the Holding Company was **VND 341.65 billion**; in which:

- + From petroleum products business, loss of **VND 51.67 billion** (of which the largest losses were DO oil and RON95 petrol, E5RON92 petrol business was effective);

- + Profit from service of the distribution of selling crude oil and entrusted import was **VND 63.95 billion**;

- + Profit from other services (depot leasing, petrol stations ...) reached **VND 51.47 billion**;

- + From financial activities, the profit was **VND 253.95 billion**;

- + External investment was **VND 21.50 billion**.

At the Holding company, ROE was 3.1% and ROA was 1.4%.

- Corporation's consolidated revenue in 2019 reached **VND 79,860.99 billion**, consolidated profit before tax of **VND 412.29 billion**. ROE was 3.2%, ROA was 1.3%, earnings per share was **VND 223/share**.

IV. EVALUATION RESULTS OF FINANCIAL STATEMENTS IN 2019

Based on the audited separate and consolidated financial statements for the operating period from January 1, 2019 to December 31, 2019, issued by Petrol Vietnam Oil Corporation - JSC dated March 25, 2020, the BOS noticed:

- + **Capital management in cash:** During the year, the Holding Company promptly recorded and reflected cash receipts, payments, cash at bank; conducted cash on hand counting, reconciled the balance of deposits at banks to prepare financial statements as

prescribed. Term deposits arising before 2017 of the Holding company and its business units at Ocean Bank were restricted from transactions, Ocean Bank would pay lower interest rates than deposit rate. At the Holding company, it incurred term deposits (mainly 6 months), demand deposits and bank loans to finance working capital and investment activities.

+ **Management of the receivables:** The Corporation recorded financial transactions, tracked in detail each item and classified each account receivable according to regulations. The term of debt and customer debt ceiling were implemented by the Corporation in accordance with the provisions of the Debt management regulation, the Sales policy and other internal management documents.

At the Holding company, the receivables exceeded the limit, some customers arose limitless debts and no collaterals. The Holding Company provided a credit line of non-collateral debt to the Subsidiaries based on revenue and inventories. Bad debts at the Holding Company as of December 31, 2019 were **VND 91.56 billion**, a decrease compared with 2018, in which provision was **VND 87.28 billion**, equivalent to 95.3% of total bad debts.

At Subsidiaries, during the year, there was an increase in bad debts in 05 business units including: Petromekong, PVOIL Laos Trading, PVOIL Thai Binh, PVOIL Phu Tho and PVOIL Tay Ninh of **VND 19.22 billion**. Total bad debts at business units were **VND 817.5 billion**, mainly arose at Petec (83%) and from before 2017.

+ **Liabilities:** In the liabilities structure, liabilities were **VND 62.2 billion** for the State related to the equitization of the Holding Company PVOIL. Other payables were mainly related to the cash collection of crude oil and the purchase of petroleum products of Binh Son Refining and Petrochemical JSC (BSR) and Nghi Son Petroleum Products Distribution Branch - PetroVietnam (PVNDB).

+ **Inventory management:** The Corporation managed inventory according to Decision No. 20/QD-DVN dated January 10, 2019, goods checking and handling of excess/missing goods after checking were implemented according to the regulations. The actual losses in 2019 were **3,059 m³**, equaled to 54.15% of the standard.

During the year, the reversal of provision for devaluation of inventories was **VND 106.16 billion**.

+ **Asset purchasing and investment:** In 2019, the Corporation has developed 26 petrol stations, bringing the total number of operating petrol stations in the system to **565**, particularly at Holding Company developed 7 stations. The actual investment of the Holding Company in 2019 was **VND 76.22 billion**, accumulated to December 31, 2019 was **VND 112.82 billion**, of which completed and put into operation was **VND 50.69 billion**. The value of construction in progress of the Holding Company as of December 31, 2019 was **VND 62.69 billion**, in the whole system was **VND 197.67 billion**. The value of fixed assets as of December 31, 2019 of the Holding Company was **VND 1,351.49 billion**, of which the value of land use rights was **VND 281.93 billion**; the

net value of fixed assets of the whole system was **VND 4,304.77 billion**, of which the value of land use rights was **VND 1,617.18 billion**.

+ ***External financial investment:*** In 2019, the Corporation did not generate any increase/decrease in capital contribution or capital divestment from other businesses. As of December 31, 2019, the balance of capital contribution to other enterprises of the Holding Company was **VND 4,424.03 billion**, accounting for 42.8% of the charter capital. The Holding Company made a provision for financial investments of **VND 297.87 billion**, accounting for 6.7% of the invested capital.

+ ***Cost management:*** In 2019, the Holding Company spent **VND 1.92 billion** for the PVB, OBF and BSR-BF bio-fuel projects and accounted them in the administrative expenses, incurred more non-deductible expenses when determining taxable income; other expenses should continue to improve internal regulations to strengthen management.

+ ***Labor and salary:*** In 2019, the Corporation has implemented management of labor, salaries and policies for employees in accordance with the current provisions of Law, the Labor agreement and internal regulations on salaries, allowances, remuneration and bonuses for employees and managers.

The total actual salary fund in 2019 was **VND 180.61 billion**, of which for employees were **VND 166.38 billion** and for managers were **VND 14.23 billion**, within the scope of the plan approved by GMS in 2019.

+ ***Preservation of owner's equity:*** In 2019, the Holding company's performance was profitable, equity increased by 1% compared to the charter capital, owners' contributed capital was preserved.

+ ***Regarding the Basis for Qualified Opinion, Emphasis of Matter of the independent auditor:*** In the separate financial statements of the Holding Company, there were *the Basis for Qualified Opinion* of the independent auditors related to the investment of the Holding Company into Petrochemical and Biofuel JSC (PVB) with a value of **VND285.5 billion** and the Holding Company made a provision of **VND 6.01 billion**.

In the consolidated financial statements, there were Basis for Qualified Opinion, Emphasis of Matter related to the financial conduct when the Petec's equitization finalization and the value of the land lots at PVOIL Saigon have not been granted certificates of land use rights yet, land use rights have not been transferred or land use period has not been extended yet.

Based on remarks on some of the above areas, the BOS believed that:

- The annual financial statements ended on December 31, 2019 reasonably reflected the financial situation as well as the business performance of the Corporation. The preparation and presentation of financial statements were in accordance with the provisions of Vietnamese Accounting Standards and Accounting System.

- The separate and consolidated financial statements for the operating period from January 1, 2019 to December 31, 2019 were audited by Deloitte Vietnam Co., Ltd. in accordance with the Corporation Charter and resolution of GMS.

- The Corporation has prepared and submitted financial statements in accordance with the provisions of the State; made reports and published periodic information to the State Securities Commission and Stock Exchange as prescribed.

The BOS agreed with the audited separate financial statements, the audited consolidated financial statements for the year ended on December 31, 2019 of the Corporation and the Basis for Qualified Opinion, Emphasis of Matter of the independent auditor.

V. SUPERVISION RESULTS OF THE IMPLEMENTATION OF THE MANAGEMENT TASKS OF THE BOARD OF MANAGEMENT AND CEO

In 2019, the management of business activities of Board of Management, the Board of Directors of the Corporation was implemented in accordance with the Law on Enterprises, the Corporate Charter, Resolutions of the General Meeting of Shareholders and the provisions of law. During the year, the Holding company has completed the financial targets assigned by the General Meeting of Shareholders, except the consolidated profit target of the Corporation was not met due to various reasons. Detailed observations of the management of the BOM and CEO are as follows:

1. Activities of the Board of Management

- The Board of Management has implemented the contents approved by the General Meeting of Shareholders, ensuring the sustainable and continuous operating activities of the Corporation. The Board of Management has conducted 4 meetings, issued 81 resolutions, decisions, and directives to manage/direct activities of the Corporation in all aspects: Organization – Human resources – Labor and salary (27 resolutions); Operation business (19 resolutions); Restructure – divestment (8 resolutions); Finance (6 resolutions); Investment – Asset transfer (3 resolutions); Issuing documents directing the annual/unexpected meetings of Board of members/Board of Management/General meeting of Shareholders (18 resolutions).

- The Board of Management has implemented the functions and duties; supervised and monitored the implementation of resolutions/decisions/minutes of the General Meeting of Shareholders.

- The Board of Management has worked with a sense of responsibility, completely organized periodic meetings according to regulations and collected written ballots to make decisions. Resolutions, decisions of the Board of Management were issued based on the written ballots of the majority of members, in compliance with the provisions of the Corporation Charter and the Law on Enterprises.

- The Board of Management has regularly supported and created favorable conditions for the Board of Supervisors to perform their duties as authorized.

2. Activities of the Board of Directors

- The Board of Directors has issued documents directing the functional boards/affiliates and member units to implement the contents according to the internal protocols, the Charter of the Corporation, the Resolutions/Decisions of the Board of Management, of the General Meeting of Shareholders and related laws.

- The Chief Executive Officer has regularly worked with the key officials of the Holding company and the member units to promptly guide the production and business activities; actively seeking solutions to remove difficulties and problems in production, business and investment of each unit. The CEO actively directed the implementation of programs to apply information technology to business activities in order to create new business methods and at the same time improve administrative capability; promote the search of business partners.

- Actively directed the review and supervision of backlog of investment projects (at PVOIL Saigon, the splitting of Laos' PVOIL, bio-fuel projects ...), regularly conducted the review of reducing costs, especially those that do not make a profit; actively directing the completion of the plan to continue restructuring the inefficient member units and the overall restructuring plan of the Corporation, and reporting to the competent authorities.

- Wrote documents of explanation and implementation of recommendations in the Minutes of the State Audit, the General Department of Taxation, and the Customs Office to carry out inspection in 2019.

- The CEO has regularly supported and created favorable conditions for the Board of Supervisors to perform their duties as prescribed.

The report on the operational performance in 2019 and the direction and tasks of the Board of Management in 2020, the report on the production performance and business activities in 2019 and the plan for 2020 of the CEO of the Corporation which were presented to the General Meeting of Shareholders, the Board of Supervisors for review and approval with the content of the reports.

VI. EVALUATION REPORT ON COOPERATION BETWEEN THE BOARD OF SUPERVISORS WITH THE BOARD OF MANAGEMENT, THE BOARD OF DIRECTORS AND SHAREHOLDERS

The Board of Supervisors has worked closely with the BOM and BOD in performing the assigned functions and duties. Regularly discussing with relevant departments to find out and clarify the necessary content before giving official warnings and recommendations. Supervisory reports, periodic reports on financial statements and other reports of the Board of Supervisors were consulted by the BOM and BOD before being officially submitted. The BOM and BOD have created favorable conditions for the Board of Supervisors to perform their duties.

In addition to inviting the Board of Supervisors to attend official meetings and directing to provide sufficient information, members of the Board of Management also frequently discussed difficulties and problems to find cautious, appropriate, legal and reasonable solutions for the Corporation. The Board of Management has directed functional departments to work closely with the BOS in providing information and documents related to decision making and internal control.

The Chief Executive Officer regularly invited the BOS to attend monthly briefings, meetings to handle important matters of the Corporation; regularly discussed difficulties and obstacles to find out careful, reasonable and legal solutions for the Corporation. The CEO has directed the functional departments to coordinate, provide information and documents to the BOS, basically the functional departments have coordinated in providing and clarifying related, periodic information, financial information being fully provided to the BOS, information on management of business operation of the petroleum product distribution has gradually provided.

The Board of Supervisors regularly and carefully implemented the operation plan as approved by the General Meeting of Shareholders; abided by the regulations and directives of the major shareholder being Vietnam Oil and Gas Group under the Regulation on management of representatives and the Regulation on management of investment capital in other enterprises; was always ready to carry out the inspection and reporting on issues as requested by a shareholder or group of shareholders as prescribed in Clause 2, Article 114 of the Law on Enterprises. At the General Meeting of Shareholders, all members of the Board of Supervisors attend, fully report the contents as prescribed and always comment, evaluate and propose to the General Meeting of Shareholders to continuously improve its administration, inspection and supervision at the Corporation.

VII. RECOMMENDATIONS

Based on the results of monitoring and examining in 2019 and forecast of challenges for production and business activities due to falling oil prices and production output as a result of the Covid-19 pandemic and the relationship between countries with large oil reserve in 2020, in order to assist the Corporation overcome difficulties, the Board of Supervisors has recommendations to the Corporation as follows:

1. Doing business of petroleum products is the core activity of the Corporation, in 2019 partly due to the development of oil prices which are influenced by international economic - political factors and economic – social factors in the price management policy of the Government, the profit of both the Holding Company and the whole system have reduced in general. However, in addition to the business of petroleum product distribution, the Corporation is also active in other business areas such as delegated agents of selling crude oil, leasing capacity, assets, optimizing operations... Therefore, the Holding company's profit has reached the level set by the General Meeting of Shareholders.

The Board of Supervisors recommends that the Corporation continue to drastically manage the activities of petroleum business, producing supply and managing the distribution reasonably, in parallel with the continuation of inventing new business methods, applying cost management solutions... to further improve the performance of this core business, contributing to the achievement of the Holding Company and the Corporation's profit targets set by the General Meeting of Shareholders for 2020.

2. Regarding the business and production activities of companies with contributed capital, the Board of Supervisors proposes to continue directing the capital representatives

to implement the important measures, including deciding on selling prices and cost controlling with guaranteed efficiency. The Corporation carried out special financial supervision for companies with negative business results as prescribed, preventing the risk of not recovering the full value of invested capital, minimizing the financial investment provisions; implementing dividend payment policy, ensuring investment efficiency of the Holding company.

3. Continuing to implement drastic solutions with other parties that are taking advantage of purchase payments; identify responsibilities related to the occurrence and responsibility to recovery outstanding debts. Regularly reviewing and evaluating the granting of lines of credit and thoroughly implementing measures to ensure financial security for debts and limitation of new bad debts. Because the subsidiaries of the Corporation are mainly joint-stock companies, the interests of the Holding Company shareholders are affected by the interests of minority shareholders in the Subsidiaries, due to the imbalance of capital in some units, the Board of Supervisors proposes to continue the application of the calculation of penalty interests on late payment for the Subsidiaries.

4. Continuing to strictly control the loss of petroleum in the system. Regularly reviewing and re-evaluating the suitability of the consumption standards to ensure the actual loss level at the Corporation, taking into account the characteristics of each stage, each depot and each product.

5. Enhancing the quality of revenue and expenditure forecasting to balance the Holding Company cash flow effectively, further enhancing the efficiency of using the idle funds, only maintaining the sufficient amount for regular payment needs in the checking account. Only providing working capital financing in case idle funds cannot be balanced.

For the idle funds after meeting the needs of regular working capital, the Board of Supervisors recommends that the Corporation has the optimal plan to deposit maximum term deposits and that the interest rate is competitive in each bank (according to the policy and interest rates announced by each bank each period) and between banks when entering into a contract at the time the Corporation deposits idle funds. At the same time, regularly updating solvency and evaluation, ranking of banks, including when signing new/extend term deposit contracts and depositing money into checking accounts...

6. Strengthening the search and research of effective investment opportunities in the core business to take advantage of the available capital that can be invested based on the capital structure of owners' equity in the Holding Company. Continuing to deal with/report to the competent authorities on approval/execution of decisions for ineffective investment assets and projects at the Holding Company and its member units; finding solutions for issues of the Basis for Qualified Opinion, Emphasis of Matter in the independent audit reports.

7. Swiftly completing and submitting to the Group a plan to restructure its member units to implement radical solutions for the lack of long-term capital of some subsidiaries and to end internal competition. Promptly finalizing legal documents on housing and land and continuing to report to competent authorities to solve problems related to equityization

finalization of PVOIL and Petec; Continuing to have plans for divestment in units that cannot operate effectively, operating outside the core production and business activities.

8.Regularly directing the preservation of favorable environment, especially to ensure transparent information on the management of petroleum and oil trading activities so that the Board of supervisors can carry out the inspection and examination activities according to protocols of the Corporate Charter and related regulations.

9.Reviewing and completing internal protocols and processes applied in the entire system of the Corporation on the business of non-petrol products and the calculation, declaration and payment of taxes and obligations to the State budget (domestic and foreign); assigning responsibilities in each stage when late tax payment arisen in the system.

PART II

OPERATION PLAN FOR 2020 OF THEBOARD OF SUPERVISORS

To strictly comply with the functions, authorities and responsibilities of the Board of Supervisors according to the provisions of the Law on Enterprises and the Corporate Charter, the Board of Supervisorsestablishes the plan for 2020 as follows:

- Monitoring and evaluating the implementation of the Resolution of the Annual General Meeting of Shareholders in 2020; the Corporate Charter, Law on Enterprises and other legal documents;

- Monitoring and supervising the implementation and compliance with the Guidelines, Resolutions, Decisions, and Instruction related to the representative of PVN's capital;

- Managing and evaluating the implementation of the production and business plan and the efficiency of production and business activities of the Holding Company and its subsidiaries;

- Monitoring and evaluating the compliance with regulations in the following areas: (i) petroleum business activities; (ii) management of products and petroleum engineering; (iii) finance and capital management; (iv) external financial investment; (v) business restructuring and innovation;

- Supervising and evaluating the implementation, progress according to the approved plans and the efficiency of capital construction investment projects, new development investment projects, improvement and maintenance of petrol stations; investing in new construction, upgrading and expanding petroleum depots and other capital construction investment projects at the Corporation, its affiliated units and member units;

- Inspecting and evaluating the construction and implementation of the economic and technical standards of the Corporation; measures to reduce management costs andcost of goods sold;

- Coordinating with the functional departments of PVOIL, the Internal Control Board and the representative of the capital of PVOIL to inspect/supervise the situation of

production and business activities and the preservation of capital in affiliates and subsidiaries with controlling capital contribution (if any);

- Evaluating the operation of the internal control system of the Corporation and recommendations, proposals to amend and improve the performance of the internal control system (if any);

- Coordinating with the functional agencies of the State, inspectors, and internal auditors of the Group and the Corporation in examining and supervising the management and administration of production and business activities at the Corporation;

- Supervising and examining the situation of solving problems from the recommendations in the inspection records of the inspection teams of the Group and the inspection teams of the competent state agencies;

- Reporting periodic inspection and supervision results according to PVN's guidelines. Appraising quarterly/annual financial statements, appraising the finalization reports of salary fund and other reports according to PVN's protocols and the Corporate Charter;

- Supervising the formulation and implementation of production and business plans according to the development strategy set by the General Meeting of Shareholders;

- Attending the thematic, periodic and irregular meetings to grasp the situation of operation activities, promptly making observations and recommendations to the Corporation;

- Performing other tasks when requested by the General Meeting of Shareholders, group of shareholders or Vietnam Oil and Gas Group.

Above is the report of the Board of Supervisors of Petro Vietnam Oil Corporation - JSC on the operation performance in 2019 and operation plan in 2020.

Respectfully proposing to the General Meeting of Shareholders of Petro Vietnam Oil Corporation - JSC for consideration and approval.

Sincerely./.

**ON BEHALF OF
THE BOARD OF SUPERVISORS
CHAIRMAN**

(signed)

Nguyen Duc Ken

No.: 04 /BC-DHDCD

Ho Chi Minh City, June 05 , 2020

REPORT

SALARY AND REMUNERATION FINALIZATION IN 2019 AND SALARY AND REMUNERATION PLAN FOR 2020 OF BOARD OF MANAGEMENT, BOARD OF SUPERVISORS OF PVOIL

To: Annual General Meeting of Petro Vietnam Oil Corporation

Pursuant to the Law on Enterprises No. 68/2014/QH13 passed by the National Assembly of the Socialist Republic of Vietnam on November 26, 2014 and taken effect from July 1, 2015;

Pursuant Charters of Organization and operation of Petro Vietnam Oil Corporation(PVOIL);

Pursuant Decree No. 53/2016/ND-CP dated June 13, 2016 of the Government regulating labor, salary, remuneration, bonus for joint-stock companies, controlling State-owned capital; Circular No. 28/2016/TT-BLDTBXH dated September 1, 2016 of the Ministry of Labor, War invalids and Social Affairs guiding the implementation of regulations on labor, salary, remuneration, bonus for joint-stock companies, controlling State-owned capital;

Based on the business performance in 2019 and business plan for 2020 of Petro Vietnam Oil Corporation,

Petro Vietnam Oil Corporation would like to report to the shareholders about the finalization of salary and remuneration in 2019 and the salary and remuneration plan for 2020 of the Board Of Management (BOM) and Board Of Supervisors (BOS) as follows:

1. Salary and allowance fund for BOM, BOS:

Salary and allowances fund applied in 2019 and plan of 2020 for Managers at PVOIL are determined according to the standards specified in Decree 53/2016/ND-CP dated June 13, 2016, Circular 28/2016/TT-BLDTBXH dated September 1, 2016 and the instruction documents of the Parent company – Vietnam Oil and Gas Group.

- Implemented in 2019: The average salary and allowance of the BOM and the BOS was reduced by 0.2% compared to the plan approved by the Annual General Meeting (AGM); the average remuneration equaled to the target approved by the AGM.

- Plan for 2020:

+ The average **basic** salary of PVOIL managers is VND 36 million/person/month;

+ The adjustment coefficient of the average salary increases in proportion with the profit of the Corporation under the guidance of the Government and Vietnam Oil and Gas Group: Coefficient_{Profit} = 1.25 (Plan 2020 = VND 350 billion is in the range of VND 300 – 700 billion);

Therefore, the average salary of PVOIL managers in 2020 is calculated to a maximum of 36 million x (1 + 1.25) = 81 million/person/month;

However, to balance the basic salary standard as well as to ensure profit target, the Corporation chooses to **reduce** the average salary of the managers **by 7.41%** compared to the regulated average maximum salary and **equaling to the average salary paid in 2019**.

Details of the salary fund paid in 2019 and planned for 2020 are as follows:

Unit: VND million

| No. | Title | Amount | Total salary fund planned for 2019 (approved at the AGM) | Total salary fund paid in 2019 | Total salary fund planned for 2020 |
|------------|-----------------------------|----------|---|--------------------------------|------------------------------------|
| I | Board of Management | 6 | 5,750 | 5,738 | 5,746 |
| 1 | Chairman of the Board | 1 | 1,074 | 1,071.5 | 1,073 |
| 2 | CEO cum Member of the Board | 1 | 1,074 | 1,071.5 | 1,073 |
| 3 | Member of the Board | 4 | 3,602 | 3,595 | 3,600 |
| | <i>Average monthly</i> | | 79.86 | 79.70 | 79.81 |
| II | Board of Supervisors | 3 | 2,425 | 2,420 | 2,423 |
| 4 | Chairman of the Board | 1 | 901 | 899 | 900 |
| 5 | Member of the Board | 2 | 1,524 | 1,521 | 1,523 |
| | <i>Average monthly</i> | | 67.35 | 67.22 | 67.31 |
| III | Total | 9 | 8,174 | 8,158 | 8,170 |

Note:

- *The figures above are rounded to millions;*
- *The total salaries and allowances of the members of the BOM and BOS (before tax) above do not include: bonuses, benefits... which are rewarded based on the regulations of the Government and PVOIL.*

2. Remuneration fund

| No. | Title | Amount | Remuneration per month | Total remuneration fund paid in 2019 | Total remuneration fund planned for 2020 |
|------------|----------------------|---------------|-----------------------------------|---|---|
| 1 | Member of the BOM | 1 | VND 15 million | VND 180 million | VND 180 million |

Petro Vietnam Oil Corporation respectfully presents to the AGM for consideration and approval.

Sincerely,

ON BEHALF OF BOARD OF MANAGEMENT
Member of the BOM cum President & CEO

(signed)

Cao Hoai Duong

No.: 05 /TTr - DHDCD

Ho Chi Minh City, June 05 , 2020

PROPOSAL

Regarding the approval of audited Financial statements 2019

To: General Meeting of Shareholders of Petro Vietnam Oil Corporation - JSC

- Pursuant to the Law on Enterprises No. 68/2014/QH13 and implementation guidance documents;
- Pursuant the Corporate Charter of Petro Vietnam Oil Corporation - JSC;
- Based on the audited Financial statements of Petro Vietnam Oil Corporation - JSC.

The Board of Management of the Corporation respectfully presents to the Annual general meeting (AGM) for consideration and approval of the Corporation's Financial statements 2019 audited by Deloitte Vietnam Company Limited, with major outcome as follows:

1. Balance sheet

Unit : VND

| No. | Item | December 31 2019 (Holding company) | December 31 2019 (Consolidated) |
|------------|----------------------------------|---|--|
| I | Total assets | 21,990,501,303,544 | 26,480,890,458,038 |
| 1 | Current assets | 16,066,313,259,584 | 20,106,195,016,950 |
| 1.1 | Cash and cash equivalents | 2,395,816,513,239 | 2,966,080,861,563 |
| 1.2 | Short-term financial investments | 5,343,031,164,697 | 5,377,397,500,886 |
| 1.3 | Short-term receivables | 6,978,267,586,484 | 9,150,655,063,445 |
| 1.4 | Inventories | 1,272,287,309,972 | 2,447,627,060,063.00 |
| 1.5 | Other short-term assets | 76,910,685,192 | 164,434,530,993 |
| 2 | Non-current assets | 5,924,188,043,960 | 6,374,695,441,088 |
| 2.1 | Long-term receivables | 35,906,691,016 | 39,254,778,240 |
| 2.2 | Fixed assets | 1,351,484,746,409 | 4,304,768,026,206 |

| | | | |
|-----------|-------------------------------------|---------------------------|---------------------------|
| 2.3 | Long-term assets in progress | 62,687,262,403 | 198,252,617,581 |
| 2.4 | Long-term financial investments | 4,126,170,023,573 | 786,240,305,526 |
| 2.5 | Other long-term assets | 347,939,320,559 | 1,046,179,713,535 |
| II | Total liabilities and equity | 21,990,501,303,544 | 26,480,890,458,038 |
| 1 | Liabilities | 11,550,158,090,568 | 15,608,556,661,938 |
| 1.1 | Current liabilities | 11,491,973,720,458 | 15,278,456,354,144 |
| | In which: Trade payables | 2,711,117,305,932 | 4,896,183,185,320 |
| 1.2 | Long-term loans | 58,184,370,110 | 330,100,307,794 |
| 2 | Owner's equity | 10,440,343,212,976 | 10,872,333,796,100 |
| | <i>In which:</i> | | |
| | Owner's contributed capital | 10,342,295,000,000 | 10,342,295,000,000 |
| | Retained earnings | 98,048,212,976 | (733,084,059,159) |

2. Income statement

Unit: VND

| No. | Item | 2019 (Holding company) | 2019 (Consolidated) |
|-----|--|---------------------------|------------------------|
| 1 | Net revenue of goods and services | 31,773,529,824,668 | 79,860,987,326,803 |
| 2 | Cost of goods sold | 30,699,127,829,295 | 77,089,285,390,168 |
| 3 | Gross profit | 1,074,401,995,373 | 2,771,701,936,635 |
| 4 | Net operating profit | 339,191,157,736 | 364,479,986,942 |
| 5 | Profit before tax | 341,652,281,030 | 412,292,110,258 |
| 6 | Profit after tax | 316,823,593,229 | 347,022,157,051 |
| | In which: | | |
| | <i>Profit after tax of the Holding company</i> | | 230,519,488,422 |
| | <i>(Loss)/Profit after tax of non-controlling shareholders</i> | | 116,502,668,629 |

The detailed content of the Financial statements 2019 (separate and consolidated) of the Corporation has been published according to regulations and posted on the website of PVOIL.

Respectfully proposing to the General Meeting of Shareholders for voting and approval.

Sincerely yours!

Recipients:

- As above;
- Board of supervisors;
- For archive, BOM;

**ON BEHALF OF BOARD OF MANAGEMENT
Member of the BOM cum President & CEO**

(signed)

Cao Hoai Duong

No.: 06 /TTr - DHDCD

Ho Chi Minh City, June 05 , 2020

PROPOSAL
For “Approving profit distribution plan of 2019”

To: Annual General Meeting of Shareholders Petro Vietnam Oil Corporation

- Pursuant to the Law on Enterprises No. 68/2014/QH13 passed by the Thirteenth (XIII) National Assembly of the Socialist Republic of Vietnam on November 26, 2014 and its implementing documents;

- Pursuant to the organization and operation Charter of Petro Vietnam Oil Corporation - JSC;

- Pursuant to the 2019 Financial Statements of Vietnam Oil Corporation – JSC audited by DELOITTE Vietnam Co., Ltd.,

The Board of Management of Petro Vietnam Oil Corporation - JSC respectfully submits to the General Meeting of Shareholders for consideration and approval of the Profit Distribution Plan for 2019 as follows:

| No. | Item | Percent | Amount (in VND) |
|-----|--|---------|-------------------|
| 1 | Profit after tax in 2019 | | 316,823,593,229 |
| 2 | Loss repayment as of December 31, 2018 | | (184,345,623,382) |
| 3 | Distributable net profit to shareholders | | 132,477,969,847 |
| 4 | Appropriations for funds | 30% | 34,429,756,871 |
| 4.1 | <i>Capital development fund</i> | | 0 |
| 4.2 | <i>Bonus and Welfare fund (equivalent to salary of 3 months)</i> | 30% | 34,429,756,871 |
| 5 | Dividend in 2019 | | - |
| 6 | Distributable retained earnings | | 98,048,212,976 |

- The contributing of the welfare and reward fund complying with the provisions of Decree 53/2016/ND-CP dated June 13, 2016 and Circular 28/2016/TT-BLDTBXH dated September 1, 2016 on labor, salaries, remuneration and bonuses for companies with dominant shares or contributed capital of the State.

- The distributable profit after tax of the Corporation after loss repayment of the previous year was very low of VND 98 billion (equivalent to 0.9% of charter capital). Therefore, the BOM proposes the plan to retain all the distributable retained earnings to provision for the above-mentioned difficult situation.

Respectfully proposing to the AGM for voting and approval./.

Recipients:

- As above;
- Board of supervisors;
- For archive, BOM

ON BEHALF OF THE BOM
Member of the BOM cum President & CEO

(signed)

Cao Hoai Duong

No.: 08 /TTr - DHDCD

Ho Chi Minh City, June 05, 2020

PROPOSAL
For selection of audit firm for the financial statements in 2020
of Petro Vietnam Oil Corporation - JSC

To: Annual General Meeting of Shareholders Petro Vietnam Oil Corporation

Pursuant to the Law on Enterprises No. 68/2014/QH13 passed by the Thirteenth (XIII) National Assembly of the Socialist Republic of Vietnam at the 8th session on November 26, 2014;

Based on assessment of the CEO of the Corporation in Official letter No. 1562/DVN-TCKT dated March 24, 2020 on selecting auditor to perform audit service for financial statements in 2020;

1. Selection criteria:

In order to be qualified for selection to provide audit services to PVOIL, audit firms need to meet the following conditions:

- Being a reputable independent audit firm, approved by the State Securities Commission to conduct audit work for issuers, listed companies and securities companies;
- Employing experts and auditors who are qualified and experienced in auditing financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and International Financial Reporting Standards (IFRS);
- Do not have conflict of interest when auditing financial statements for PVOIL;
- Having an appropriate and competitive service fee.

2. Proposition

In order to meet the above criteria, the independent auditing firms which are eligible to provide audit services of financial statements in 2020 are suitable to the scope and industry of PVOIL including:

- Deloitte Vietnam Company Limited;
- Ernst & Young Vietnam Limited (E&Y);
- PwC Vietnam Limited.

These are independent auditing companies on the list of 18 auditing firms approved by the State Securities Commission for auditing public interest companies in 2020 - period 1. The above auditing companies are completely independent from the Corporation and the Corporation's managers.

The Board of Supervisors respectfully submits to the General Meeting of Shareholders for approval of the list of the 03 independent auditing companies mentioned above and authorizes the Board of Management to organize the selection of an auditing company to audit financial reports in 2020 for Petro Vietnam Oil Corporation - JSC in accordance with the provisions of the law.

Sincerely yours./.

Recipients:

- As above;
- For archive, BOS.

**ON BEHALF OF
THE BOARD OF SUPERVISORS
CHAIRMAN**

(signed)

Nguyen Duc Ken

No: 07 /TTr-DHDCD

Ho Chi Minh City, June 05, 2020

PROPOSAL

Approving the amendment and supplement of the Corporate Charter of Petro Vietnam Oil Corporation – JSC

To: Annual General Meeting of Petro Vietnam Oil Corporation

Pursuant the Law on Enterprises No. 68/2014/QH13 passed by The Thirteenth (XIII) National Assembly of the Socialist Republic of Vietnam in 8th session on November 26, 2014;

Pursuant Decision No. 27/2018/QĐ-TTg dated July 6, 2018 of the Prime Minister, promulgating the Vietnam Standard Industrial classification;

Pursuant the organization and operation Charter of Petro Vietnam Oil Corporation - Joint Stock Company, issued along with Resolution No. 01/NQ-DHDCD dated July 30, 2018 of the General Meeting of Shareholders of Petro Vietnam Oil Corporation - Joint Stock Company and its amendments and supplements;

Pursuant Resolution No. 7018/NQ-DKVN dated December 9, 2019 of the Vietnam Oil and Gas Group on approving the business plan for 2020 of Petro Vietnam Oil Corporation – JSC,

In order to deploy PVOIL's business plan for 2020 for "Carrying out the research and development the project of creation of aviation fuel business Jet A1", the Board of Directors of Petro Vietnam Oil Corporation - JSC proposes to amend and supplement the business lines of the Corporation at Clause 1, Article 4 of the Organization and Operation Charter of Petro Vietnam Oil Corporation - JSC as attachment.

The Board of Management of Petro Vietnam Oil Corporation - JSC respectfully presents to the General Meeting of Shareholders for consideration and approval.

Yours truly./.

Recipients:

- As above;
- Board of Supervisors;
- For archive, BOM, PC (PVC).

ON BEHALF OF BOM
Member of the BOM cum President & CEO

(signed)

Cao Hoai Duong

TABLE OF PROPOSAL FOR AMENDING AND SUPPLEMENTING CLAUSE 1 ARTICLE 4 CHARTER OF PVOIL

| No. | CURRENT CHARTER CONTENT | CONTENT OF AMENDMENTS AND SUPPLEMENTS | EXPLANATION |
|-----|--|--|--|
| 1. | <p>Wholesale of solid, liquid, gas fuels and other related products (Industry code 4661)</p> <p>Details: <i>Trading and import-export of Ethanol products (E100). Exporting, importing and trading crude oil domestically and abroad. Importing, exporting and trading of petroleum products at home and abroad. Distributing and trading oil products. Importing and exporting oil products and products derived from oil, chemicals.</i></p> | <p>Wholesale of solid, liquid, gas fuels and other related products (Industry code 4661)</p> <p>Details: <i>Trading and import-export of Ethanol products (E100). Exporting, importing and trading crude oil domestically and abroad. Importing, exporting and trading of petroleum products at home and abroad. Distributing and trading oil products. Doing business in aviation fuel. Importing and exporting oil products and products derived from oil, chemicals.</i></p> | <p>To implement PVOIL's business strategy for Jet A1 fuel from 2020.</p> |

(*)Additional business line is in bold and italic.

No./NQ-DHDCD

Ho Chi Minh City, June 08 ,2020

DRAFT

RESOLUTION
ON THE ANNUAL GENERAL MEETING OF SHAREHOLDERS 2020 OF
PETROVIETNAM OIL CORPORATION –JSC

Pursuant to the Law on Enterprises No.68/2014/QH13 and implementation guidance documents which approved by Vietnam National Assembly on November 26, 2014;

Pursuant to the organization and operation Charter of PetroVietnam Oil Corporation – JSC which issued along with the Resolution of General Meeting of Shareholders of PetroVietnam Oil Corporation No.01/NQ-DHDCD on July 30, 2018 and its amendments and supplements;

Pursuant to the Regulations on organizing the Annual General Meeting of Shareholders 2020 of PetroVietnam Oil Corporation- JSC approved on June 08, 2020;

Based on the Minutes of the Annual General Meeting 2020 of PetroVietnam Oil Corporation – JSC No. /BB-DHDCD on June 08, 2020.

TO ADOPT A RESOLUTION:

Article 1. The Annual General Meeting of Shareholders 2020 of PetroVietnam Oil Corporation has taken place on June 08, 2020 and approved these followings:

1. Approval the Performance in 2019 and Orientations & Tasks in 2020 of BOM (detail attached).
2. Approval the Business Performance in 2019 and Business Tasks in 2020 (detail attached), as follows:

2.1. Business Results in 2019:

| No. | KPI | Unit | Plan 2019 | Result 2019 | Result coms with Plan |
|----------|---|---------------------------|-----------|-------------|-----------------------|
| I | Volume Targets | | | | |
| 1 | Export/sales volume of crude oil as a marketing Agent | 1.000 tons | 10,600 | 11,052 | 104% |
| 2 | Supply crude oil to BSR (domestic and import) | 1.000 tons | 6,700 | 7,603 | 113% |
| 3 | Production of petroleum, lubricant | 1.000 m ³ /ton | 604 | 604 | 100% |

| No. | KPI | Unit | Plan 2019 | Result 2019 | Result coms with Plan |
|-----------|--------------------------------|---------------------------|-----------|-------------|-----------------------|
| 4 | Trading petroleum | 1.000 m ³ /tấn | 3,200 | 3,185 | 100% |
| - | <i>Retail percentage</i> | % | 26% | 26,4% | 103% |
| II | Financial performance | | | | |
| 1 | Consolidated indicators | | | | |
| 1.1 | Revenue | Bl.VND | 49,000 | 80,294 | 164% |
| 1.2 | EBITDA | Bl.VND | | 993 | |
| 1.3 | Profit before tax | Bl.VND | 440 | 412 | 94% |
| 1.4 | Profit after tax | Bl.VND | 352 | 347 | 99% |
| 1.5 | Payment to State Budget | Bl.VND | 7,100 | 11,557 | 163% |
| 2 | Parent company | | | | |
| 1 | Revenue | Bl.VND | 31,500 | 32,197 | 102% |
| 2 | Profit before tax | Bl.VND | 340 | 342 | 101% |
| 3 | Profit after tax | Bl.VND | 272 | 317 | 117% |

2.2. Business Plan for 2020:

Based on the average price of crude oil is estimated about 60 USD per barrel at the beginning of this year (excluding the effects of the Covid-19 pandemic and the decline in oil prices), the Corporation has built the major objectives for 2020 as follows:

| No. | KPI | Unit | Plan 2020 |
|-------------|---|--------------------------|-----------------------|
| I | Volume Targets | | |
| 1 | Export/sale volume of crude oil (including supply to BSR) | 1000 tons | 8,890 |
| 2 | Production of petroleum, lubricant | 1000 m ³ /ton | 604 |
| 3 | Trading petroleum | 1000 m ³ /ton | 3,250 |
| - | <i>Retail percentage</i> | % | 27% |
| II | Financial performance | | |
| II.1 | Consolidated indicators | | |
| 1 | Revenue | Bl.VND | 52,200 |
| 2 | Profit before tax | Bl.VND | 470 |
| 3 | Profit after tax | Bl.VND | 376 |
| 4 | Payment to State Budget | Bl.VND | 8,260 |
| II.2 | Parent company | | |
| 1 | Revenue | Bl.VND | 32,200 |
| 2 | Profit before tax | Bl.VND | 350 |
| 3 | Profit after tax | Bl.VND | 280 |
| 4 | Dividend | % | 2% of charter capital |

The General Meeting of Shareholders has agreed to authorize the PVOIL's Board of Management to decide to adjust the operation plan for 2020 in the appropriate time based on the actual situation of Covid-19 Pandemic and oil price movement, publish information as prescribed and report the results at the nearest AGM.

3. Approval Performance in 2019 and Orientations & Tasks in 2020 of BOS (detail attached).

4. Approval the audited Financial Statements 2019 by Deloitte Vietnam Company Limited.

5. Approval the Wage and Remuneration Fund settlement in 2019 and Plan for 2020 of the BOM and BOS (detail attached).

5.1. Salary and allowance fund for BOM, BOS in 2019:

Unit: VND million

| No. | Title | Amount | Plan 2019 | Result 2019 |
|-----|----------------------|-----------|--------------|--------------|
| 1 | Board of Management | 7 | 5,930 | 5,918 |
| 2 | Board of Supervisors | 3 | 2,425 | 2,420 |
| | Total | 10 | 8,355 | 8,338 |

The total salaries and allowances of the members of the BOM and BOS (before tax) above are not included: bonuses, benefits... which are rewarded based on the regulations of the Government and PVOIL.

5.2. Salary and allowance fund for BOM, BOS in 2020:

- For BOM: **5,926 VND million**
- For BOS: **2,423 VND million**
- Total: **8,349 VND million**

6. Approval the Plan for Distribution of Profit in 2019 as below:

| No. | Item | Rate | Amount (in VND) |
|-----|--|------|-------------------|
| 1 | Profit after tax in 2019 | | 316,823,593,229 |
| 2 | Loss repayment as of December 31, 2018 | | (184,345,623,382) |
| 3 | Distributable net profit to shareholders | | 132,477,969,847 |
| 4 | Appropriations for funds | 30% | 34,429,756,871 |
| 4.1 | <i>Capital development fund</i> | | 0 |
| 4.2 | <i>Bonus and Welfare fund (equivalent to salary of 3 months)</i> | 30% | 34,429,756,871 |
| 5 | Dividend in 2019 | | - |
| 6 | Distributable retained earnings | | 98,048,212,976 |

7. Approval the amendments and supplements of the Corporate Charter of PetroVietnam Oil Corporation – JSC (detail attached).

8. Approval the list of audit Firms and authorization the BOM and BOS selecting a firm for Financial statements 2020 of PetroVietnam Oil Corporation – JSC.

Article 2. Authorization the Board of Management:

- Implementing the amendment and supplement of the organization and operations Charter of PetroVietnam Oil Corporation – JSC in accordance with the provisions of the law.

-On behalf of the General Meeting of Shareholders, issuing Resolutions and Decisions on these approved contents at the Annual Meeting.

Article 3. This Resolution is effective on the signing date. The Board of Management, The Board of Supervisors are responsible for enforcing this Resolution.

Recipients:

- As Article 3;
- State Securities Commission;
- Ha Noi Stock Exchange;
- For archive:BOM, Planning Division.

ON BEHALF OF BOM
Member of the BOM cum President & CEO

Cao Hoai Duong