



ANNUAL REPORT 2022

PETROVIETNAM OIL CORPORATION

HCMC, April 2023

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PART I

GENERAL INFORMATION ABOUT PVOIL

1. General information

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

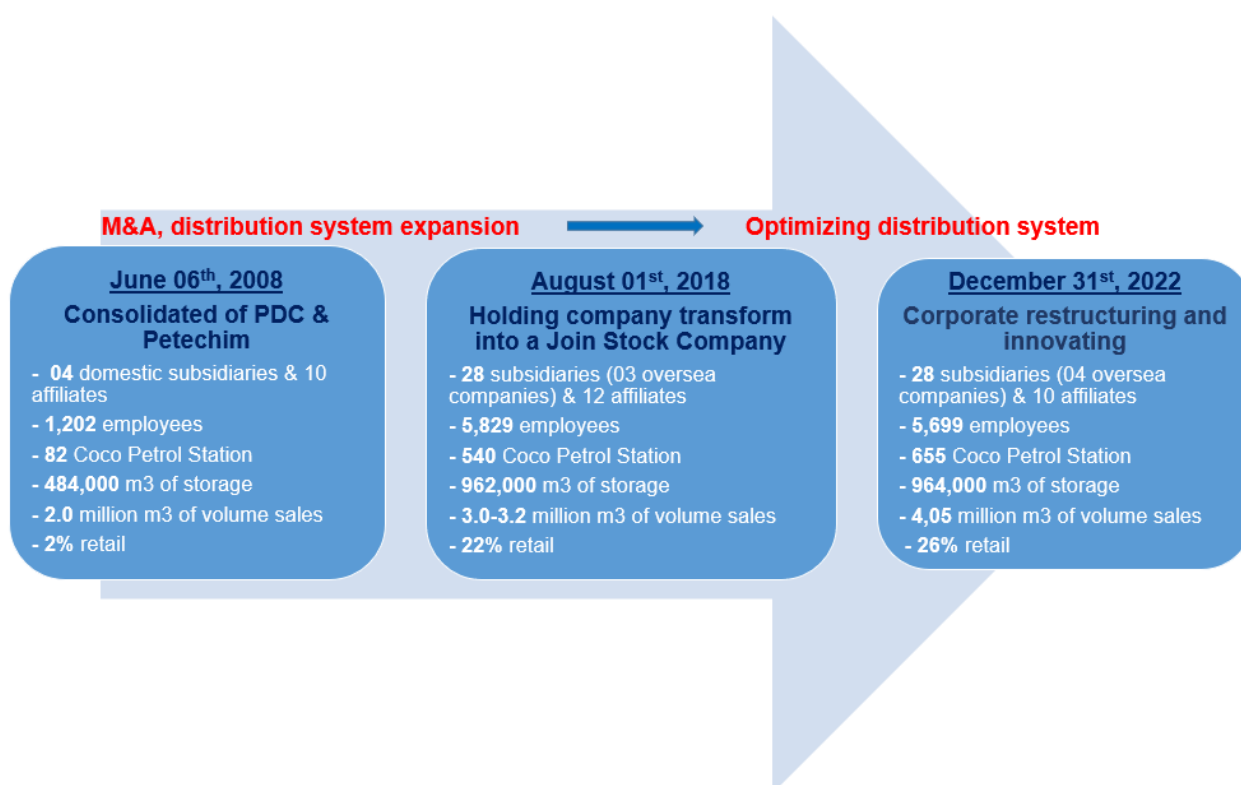
2. Establishment and Development history

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

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

Throughout nearly 15 years of operation under PVOIL brand, PVOIL has continuously expanded its domestic and international network through mergers and acquisitions. PVOIL has also continually restructured, rearranged and reformed itself with a view to optimizing the company's structure, concentrating on core activities to increase operational efficiency.

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



3. Business segments, facilities & location

1.1. Business segments



Entrusted import and export of crude oil and international oil trading

PVOIL is the only company in Vietnam that conducts marketing and provides services for the export/sale of domestic crude oil and the crude oil of PetroVietnam or its subsidiary exploited in the blocks overseas with an average quantity of 15 million tons per year. With 37-year operation in this sector, PVOIL has safely and effectively sold a total of more than 370 million tons of crude oil.

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

Petroleum, lubricant and biofuel production

Petroleum production: PVOIL produces and blends petroleum with a capacity of 500,000 m3/year petroleum produced from domestic condensate sources of PetroVietnam. The gasoline produced are used for E5 RON 92 biofuel blending.

Biofuel production: PVOIL owns E5 gasoline blending system nationwide with a total mixing capacity of over 1.5 million m3 of E5 gasoline/year. PVOIL currently distributes over 500,000 m3 of commercial E5 gasoline per year.

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

Petroleum distribution: PVOIL consistently maintains the second position, accounting for over 20% market share. In Laos, PVOIL Laos is the leader in terms of import volume, accounting for 23% market share, PVOIL Laos Trading is in the top 3 leading petroleum distribution enterprises.

During nearly 15 years of operation, through merger & acquisition (M&A) activities, PVOIL has strongly developed the distribution system nationwide and in Laos.

3.2 Location and distribution system

Domestic: PVOIL possesses a petroleum distribution network in 64/64 provinces and cities nationwide with nearly than 2,200 petroleum stations, of which there are 655 petroleum stations directly managed and operated by PVOIL (COCO) and 1,500 petroleum stations that operated by dealers/agents/franchisees (DODO).

Overseas:

- **In Laos,** PVOIL Laos Trading operates a distribution network in 16 of 18 provinces/cities with nearly 120 petroleum stations.
- **In Singapore,** PVOIL Singapore specializes in international trading of crude oil and petroleum products.
- **In Cambodia,** PVOIL has a subsidiary called PVOIL Cambodia, that conduct a feasibility study on an investment project of building a condensate processing plant.

3.3 Business facilities



- 655 COCO petroleum stations located in 56 provinces/cities.
- 15 petroleum stations in Laos.



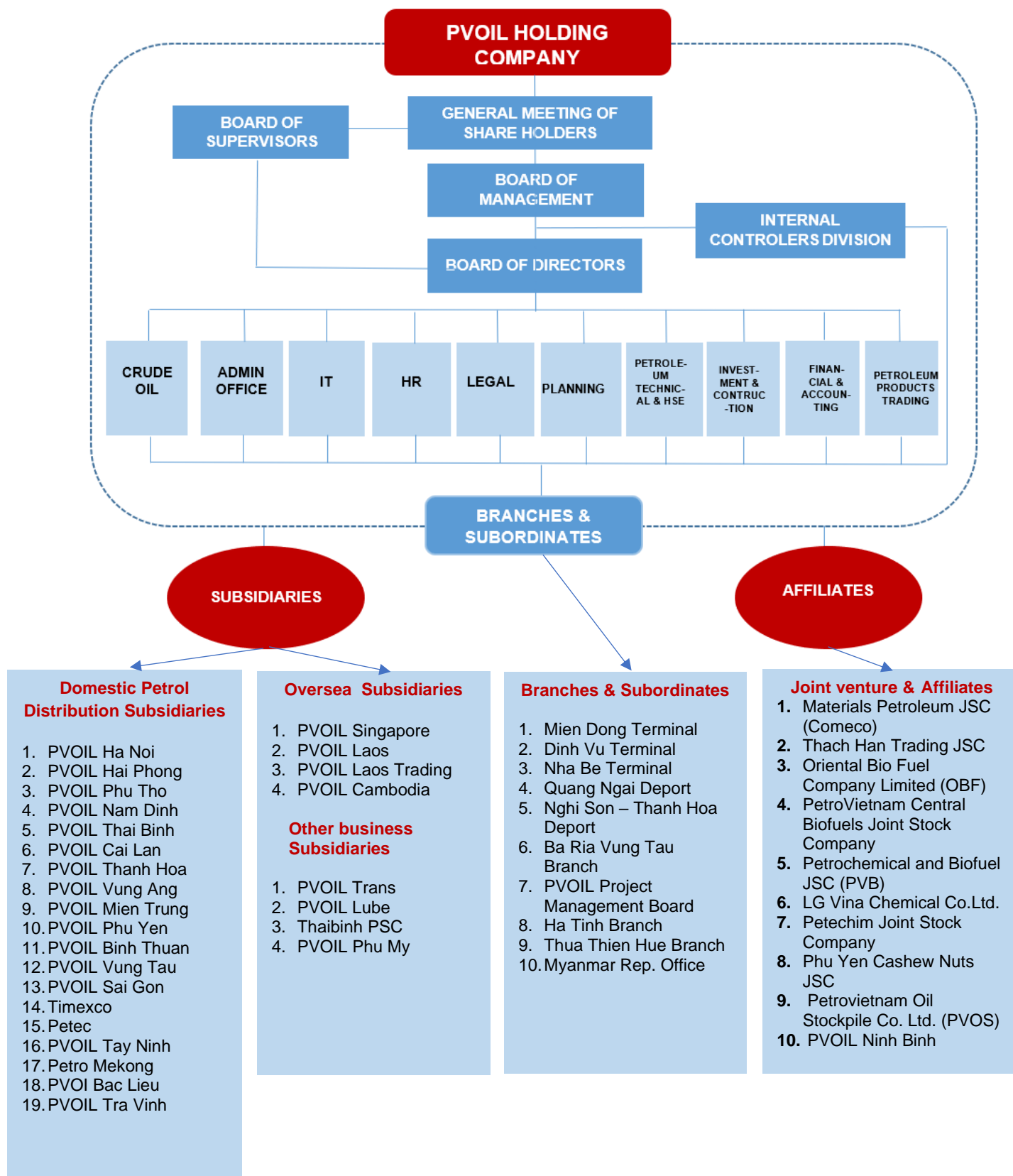
- 30 petroleum terminals/depots nationwide with a total capacity of 965,000 m3.
- In Laos, PVOIL owns 7 petroleum depots with a total capacity of over 6,800 m3.



- PVOIL owns tank trucks fleet of 135 vehicles with a total capacity of over 2,000 m3 and 04 barges with a total capacity of 3,500 m3.

4. Corporate governance model

From August 1, 2018, Holding company officially transformed into a joint stock company with the organizational structure model as follows:



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

- List of subsidiaries: please refer to the audited financial statements (page 14-15)
- List of joint ventures and affiliates: please refer to the audited financial statements (page 16)

6. Board of Management and Board of Directors

6.1. Board of Management

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

Mr. CAO HOAI DUONG

Chairman of Board of Management

Date of birth: January 30, 1972

Qualifications: Master of Techno-Chemistry

Working experience: He has nearly 30 years of contributing for the development of the oil and gas industry after graduating with an MBA degree in Australia. Took positions from senior experts and executives to manage and operate in important units of the OIL and Gas industry such as: Vice CEO of Nghi Son Refinery Joint Venture, CEO of PetroVietnam Fertilizer and Chemicals Corporation (Phu My Fertilizer Corp.). With sharp strategic thinking and extensive knowledge in many fields, he affirmed his experience, prestige, and role through each position with many important contributions. In January 2016, he was assigned by Vietnam Oil and Gas Group to PetroVietnam Oil Corporation - One Member Limited Company to hold the position of Board Member cum Chief Executive Officer of PVOIL. He continued to hold the position of Board Member cum Chief Executive Officer of PVOIL of PetroVietnam Oil Corporation - Joint Stock Company from August 1, 2018 to September 23, 2021. He was trusted by the BOM to hold the position of Chairman of the BOM of PVOIL from September 23, 2020 until now.

He currently holds 284,667,029 shares of PVOIL (equivalent to 27.52% of charter capital). In which, 284,661,929 shares are capital representatives of PetroVietnam Group and 5,100 shares are his own ownership.

Mr. DOAN VAN NHUOM

Board of Management Member cum Chief Executive Officer

Date of birth: November 07, 1963

Qualifications: Geotechnical Engineer

Working experience: He has 35 years of contributing for the development of the oil and gas industry. Took positions from senior engineer to manage and operate in important units of the OIL and Gas industry such as CEO of Southern Gas Trading JSC, CEO of Petrovietnam Fertilizer & Chemicals Corporation (PVFCCo), Chairman of BOM of Petrovietnam Transportation (PV Trans). He used to be Deputy CEO of Petroleum Distribution Company (PDC) - the predecessor of PVOIL and former General Director of PVOIL from October 2014 to December 2015. With extensive experience in the petroleum business, in September 2020, he was assigned by Vietnam Oil and Gas Group to PetroVietnam Oil Corporation to hold the position of Chief Executive Officer. In January 2021, he was elected by PVOIL's Extraordinary

General Meeting of Shareholders in 2021 as a member of the Board of Management of the Corporation.

Mr. Doan Van Nhuom is holding 237,872,785 (equivalent to 23% of charter capital) shares representing the capital of Vietnam Oil and Gas Group in PVOIL and has no private ownership shares.

Mr. TRAN HOAI NAM

Board of Management Member (part-time member)

Vice President of HD Bank (full-time member)

BOM member of Petechim (concurrently position)

Date of birth: August 14, 1965

Qualification: Master of Industrial Management

Working experience:

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

Mr. LE VAN NGHIA

Board of Management Member

Chairman of BOM of PetroMekong, PVOIL Cai Lan, Comeco (concurrently position)

Date of birth: July 5, 1966

Qualifications: Bachelor of Accounting

Working experience:

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

Mr. Nghia currently holds 155,135,025 shares in PVOIL. In which, 155,134,425 shares (equivalent to 15% of the charter capital of PVOIL) are capital representatives of PetroVietnam Group and 600 shares are his own ownership.

Mr. NGUYEN MAU DUNG

Board of Management Member

Chairman of BOM of PVOIL Binh Thuan, PVOIL Nam Dinh (concurrently position)

Date of birth: January 02, 1968

Qualifications: Master of business administration

Working experience: Joining PetroVietnam Group 30 years ago, Mr. Nguyen Mau Dung has held many important management positions in major units and parent company of Vietnam Oil

and Gas Group such as: Deputy CEO of PetroVietnam Construction JSC (PVC), Deputy CEO of PetroVietnam Gas JSC (PV GAS), Director of Trading Division of PetroVietnam group. In January 2021, he was assigned by Vietnam Oil and Gas Group and was elected by PVOIL's Extraordinary General Meeting of Shareholders in 2021 as a member of the Board of Management of PVOIL.

Mr. Dung is holding 155,134,425 shares (equivalent to 15% of the charter capital of PVOIL) representing the capital of Vietnam Oil and Gas Group in PVOIL and has no private ownership shares.

Mr. HANG ANH MINH

Independent Board of Management Member

Date of birth: November 10, 1975

Qualifications: Master of Project Management

Working experience:

He has 25 years of experience in the Oil and Gas industry and held important positions such as Deputy Head of Investment at PetroVietnam Group, Deputy CEO of PETEC Trading and Investment Corporation (PETEC). From August 1, 2018, he has been trusted by the Annual General Meeting of Shareholders and elected as an independent board member of the Board of Management of PetroVietnam Oil Corporation – Joint Stock Company.

Currently, he does not have a stake in PVOIL.

Mr. LE NGOC QUANG

Independent Board of Management Member

Date of birth: March 21, 1966

Qualifications: Master of Business Administration

Working experience:

He has 30 years of working in the oil and gas industry in many different positions, with deep knowledge and experience in the fields of trade, project management His prestige, experience and positive contributions in the oil and gas industry are the basis for the General Meeting of Shareholders to trust and elected him to be an Independent Board Member of the Board of Management of PetroVietnam Oil Corporation - Joint Stock Company from August 1, 2018 to present.

Currently, he does not have a stake in PVOIL

6.2. Board of Directors

Mr. DOAN VAN NHUOM

President and Chief Executive Officer

Date of birth: November 07, 1963

Qualifications: Geotechnical Engineer

Working experience: He has 35 years of contributing for the development of the oil and gas industry. Took positions from senior engineer to manage and operate in important units of the OIL and Gas industry such as CEO of Southern Gas Trading JSC, CEO of Petrovietnam Fertilizer & Chemicals Corporation (PVFCCo), Chairman of BOM of Petrovietnam Transportation (PV Trans). Mr. Nhuom has many years working at PVOIL, he used to be

Deputy CEO of Petroleum Distribution Company (PDC) - the predecessor of PVOIL and former General Director of PVOIL from October 2014 to December 2015. With extensive experience in the petroleum business, In September 2020, he was assigned by Vietnam Oil and Gas Group to PetroVietnam Oil Corporation to hold the position of Chief Executive Officer. He was elected by PVOIL's Extraordinary General Meeting of Shareholders in 2021 as a member of the Board of Management of the Corporation in January 2021.

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

Mr. NGUYEN ANH TOAN

Vice President

Chairman of BOM of PVOIL Laos, PVOIL Laos Trading, PVOIL Vung Ang, PVOIL Phu Yen (concurrently position)

Date of birth: September 17, 1962

Qualifications: Master of Business Administration

Working experience: Joining the oil and gas industry since 1994, he took positions of deputy/head of Petroleum Sales Department of Petec Trading and Investment Corporation Company, Head of Petroleum Products of Corporation before being appointed to the position of Deputy CEO of PetroVietnam Oil Corporation - One Member Limited Company from June 2011. From August 1, 2018, he has continued to participate in managing and operating PetroVietnam Oil Corporation - Joint Stock Company in the position of Deputy CEO.

He currently owns 1,700 shares in PVOIL.

Mr. VO KHANH HUNG

Vice President

CEO of PVOIL Cambodia, Member of BOM of Petechim (concurrently position)

Date of birth: September 28, 1965

Qualifications: Master of Business Administration

Working experience: With long working experience with Petechim - the predecessor of PVOIL right from the early days of establishment (August 1992), Mr. Hung is one of the outstanding persons of dedication in every step of PVOIL's development. During nearly 28 years working in PVOIL, he successfully completed all assigned tasks. He was appointed to the position of Deputy CEO of PetroVietnam Oil Corporation from June 2008 and continued to hold this position when PVOIL switched to operate as a Joint Stock Company from August 1, 2018.

He currently owns 2,200 shares in PVOIL.

Mr. NGUYEN TUAN TU

Vice President

Chairman of BOM of Petec; Member of BOM of PVB, OBF, BSR-BF (concurrently position)

Qualifications: Master of Business Administration

Date of birth: March 30, 1972

Working experience: He has nearly 30 years of experience working in the oil and gas industry, holding many management positions in the field of finance and accounting. Joining

PetroVietnam Trading Joint Stock Company (Petechem) - predecessor of PVOIL since May 2006 as Chief Accountant. From June 2011, he was appointed as Deputy CEO of PetroVietnam Oil Corporation - One Member Limited Company. Currently, he is continuing to promote his role and duties in this position when PVOIL switched to operate under the Joint Stock Company model since August 1, 2018.

He currently owns 1,000 shares in PVOIL

Mr. NGUYEN DANG TRINH

Vice President

Chairman of BOM of PVOIL Tay Ninh (concurrently position)

Date of birth: July 20, 1982

Qualifications: Bachelor of Business Finance

Working experience: He has nearly 17 years of experience in the Oil and Gas industry, in the field of finance and accounting. He was trusted and appointed as Chief Accountant of PVOIL since December 2014 and has contributed to the process of completing accounting management at PVOIL. From August 1, 2018, he has been continuing to be the Chief Accountant of PetroVietnam Oil Corporation - Joint Stock Company. He was appointed as Deputy CEO of PetroVietnam Oil Corporation from June 2019. Currently, he does not have a stake in PVOIL.

Mr. VU HOAI LAM

Vice President

Chairman of BOM of PVOIL Ha Noi, PVOIL Ninh Binh (concurrently position)

Date of birth: April 22, 1971

Qualifications: Master of Commercial Economics

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

Currently, he does not have a stake in PVOIL.

Mr. NGUYEN NGOC NINH

Chief of Accountant

Date of birth: October 07, 1975

Qualifications: Bachelor of Accounting & Financial University

Working experience: He has nearly 19 years of experience in the Oil and Gas industry, in the field of finance and accounting. He used to hold various positions as Finance and Accounting Manager, Investment Manager, and Transaction Manager of PetroVietnam Financial JSC before joining PVOIL in November 2011 as a Deputy Director of Accounting & Financial Division. In October 2017, he was appointed as director of Internal Control Division of PVOIL. With competence and experience in financial management, accounting, auditing and debt management, from September 9, 2019, he has been appointed and held the position of Chief Accountant of the Corporation.

Currently, he does not have a stake in PVOIL.

7. Development direction

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

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

Development objectives for the period 2021-2025

❖ Overall objectives

- ✓ PVOIL is the only company that conducts marketing and provides services for the export and trading of crude oil of PetroVietnam and provides crude oil raw materials for Dung Quat Refinery from domestic sources.
- ✓ Growth of average sales volume is 6% per year, keeping market share stable.
- ✓ Continuing to perfect the distribution system in the direction of increasing sales into direct consumption channels, striving for the proportion of retailers and direct agents to reach at least 50% by 2025.

❖ Detail goal

- ✓ Sales volume by 2025 will reach 3.8-4.0 M m³/ton; at least retail rate will reach 30% in 2025.
- ✓ Average profit before tax/Charter capital of 6%.

In the transitional period (expected to last until the end of 2023), when the State has not completed the divestment, PVOIL sets a goal of stable development, focusing on qualitative innovation as a premise for development steps in the future.

7.1. Business activities



Entrusted export/sale of crude oil and international oil trading

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



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



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

7.2. Corporate restructuring and innovating

Determining that restructuring is an urgent requirement in order to increase the competitiveness and operational efficiency of the whole system, towards long-term development goals, PVOIL has focused on implementing the upcoming reorganization and restructuring plan in the period of 2020 - 2025 with the main objective of reviewing, rearranging and reorganizing member units of petroleum trading to ensure operational efficiency and reduce operating management costs, avoid duplication and internal competition in the same area or business field.

7.3. Improvement of corporate governance and development of human resources

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

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

8. Risks

Interest rate risk: Interest rates are an important financial indicator that significantly affects PVOIL's operations due to part of its working capital and investment as loans. In 2022, short-term lending rates in the market increased sharply, especially in the last months of the year. However, with a good cash flow and high trust with banks, PVOIL always manages to arrange loans with preferential interest rates, helping to reduce operating costs.

Exchange rate risk: As an importer of petroleum, PVOIL is affected by exchange rate fluctuations. PVOIL has applied futures trading to limit risks. However, from the end of 2018, the supply from 2 domestic Refineries has met over 70% of domestic demand, and PVOIL prioritized consuming this source, only importing when there was a shortage, thus minimizing exchange rate risk.

Oil price risk: The price of crude oil and petrol in the world is constantly fluctuating, unpredictable, complicated and depends on many factors such as geopolitical situation; Economic situation in countries like USA, China, Europe; changes in global demand and supply as well as financial and market sentiment. In addition, over the past two years, the COVID-19 pandemic has impacted strongly and unprecedentedly on the global economy as well as distorted the fundamentals of the petroleum market, the petroleum prices reduced significantly and then recovered sharply in a short time. In response, PVOIL pays special attention to analyzing, forecasting, closely monitoring market movements and having flexible operating policies.

Policy risk related to Government's control on petroleum price: Business activities of the Company are closely related to the global crude oil price and petroleum price. The

Government's management of petroleum distribution sector in recent years has shown signs of improvement in transparency and market access, but there are still some shortcomings, potential risks for enterprises (price formula, price adjustment range; use other regulatory tools such as stabilization funds and taxes; 20-day circulation inventory requirement; setting cost norms and profit norms in the petroleum distribution)

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

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

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

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

PART II

CORPORATE GOVERNANCE

1. Board of Management (BOM)

1.1. Members and structure of Board of Management

Please see Section 6.1, Part I of this report

1.2. The subcommittees under Board of Management

The BOM did not establish subordinate sub-committees, but established an Internal Control Committee directly under the BOM was assigned the function and task of advising and assisting the BOM in the inspection and supervision of system operations. In January 2022, the Board of Management of PVOIL added the task of performing internal audit work to the Internal Control Board, and at the same time issued the Internal Audit Regulations issued according to the Circular No. 66/2020/TT- BTC dated 10/7/2020 of the Ministry of Finance.

1.3. Activities of Board of Management in 2022

- ✓ The BOM organized the development and promulgation of the Work Program in 2022 of the PVOIL's BOM according to Decision No. 765/QĐ-DVN dated December 29, 2021 in order to concretize the work contents and objectives to be carried out in the year 2022 of the BOM.
- ✓ The Board of Directors operates in accordance with the functions, duties and powers specified in the Charter of PVOIL and the Law on Enterprises; Periodically evaluate the

work program and the performance of leadership and management functions of PVOIL; Review and evaluate the performance of responsibilities and duties of each member of the BOM and organize the assignment of tasks in accordance with the strengths, professional capacity and working experience of each member of BOM.

- ✓ In 2022, PVOIL leaders exceeded the targets of the 2022 production and business plan and other key tasks according to the resolution of the 2022 Annual General Meeting of Shareholders (AGM) in the context of the global economic recession and inflation, the domestic and abroad oil markets have "abnormal" developments, with unprecedented advantages and disadvantages, the supply is "broken" and in short supply, and petrol prices rise and fall abnormally.
- ✓ During the year, the BOM conducted 06 meetings, issued 90 resolutions to manage/direct PVOIL's activities in all fields; Organize the timely monitoring and evaluation of the results of implementation of the resolutions/decisions of the AGM and BOM; Organize and directly participate in comprehensive monitoring of the production and business of units in the PVOIL system, directing the unit to overcome shortcomings and weaknesses.
- ✓ BOM always upholds the spirit of responsible and democratic work, quickly and promptly handling the issues and proposals of the BOD; promulgate resolutions and decisions in accordance with its competence. The resolutions and decisions of the BOM comply with the majority principle, based on the results of direct voting at meetings or voting through the form of ballots to collect members' opinions of the BOM; Fully comply with the provisions of the Charter on organization and operation of PVOIL and the Law on Enterprises.
- ✓ Successfully held the 2022 AGM and fully implemented the information disclosure regime for public companies.
- ✓ At the end of 2022, the BOM held a meeting to review and seriously evaluate the leadership and direction as well as the results of the performance of functions and tasks of BOM; Evaluation of production and business results in 2022; Closely review on overcoming limitations and shortcomings that have been concluded or pointed out in previous reviews by competent authorities.

1.4. BOM meetings in 2022:

No	Date	Attendees	Content	Result
1	February 17, 2022	7/7	1. Report on production and business results in January 2022 2. Plan to hold the AGM in fiscal year 2021 of PVOIL	Discussed and agreed to hold the AGM in the online form on the morning of April 28, 2022.
2	March 14, 2022	7/7	1. Personnel work at member units of PVOIL	Discussed and agree to approve the policy on personnel work at PVOIL Vung Ang and PVOIL Thanh Hoa.
3	June 22, 2022	6/7	1. Discuss the investment plan to buy shares to convert PVOIL Tra Vinh and PVOIL Bac Lieu into one-member limited liability companies.	The meeting discussed the contents and assigned the Secretary to collect written opinions of the BOM

No	Date	Attendees	Content	Result
			2. Discussing production and business results in May and first 5 months of 2022. 3. Report on updating production and business situation of PVOIL Laos and PVOIL Laos Trading units. 4. Discussing the situation of overcoming special financial supervision situation at member units.	related to the recommendations of the CEO reporting to the BOM.
4	July 07, 2022	7/7	1. Evaluation of the results of the first 6 months of 2022 of the BOM of PVOIL	The meeting discussed the completed work and set out the targets to focus on in the last 6 months of 2022.
5	September 8, 2022	7/7	1. Discussing the investment plan to buy shares from shareholders to convert PVOIL Thanh Hoa into a one-member limited liability company.	The meeting discussed and assigned the Secretary to collect written opinions of the BOM related to the recommendations of the CEO reporting to the BOM.
6	November 18, 2022	7/7	1. Update the situation related to Biofuel projects with contributed capital of PVOIL; 2. Consider assigning the targets of the 2023 production and business plan to the PVOIL Holding company and orienting to assign the production and business plan in 2023 to the member units.	The meeting discussed and assigned tasks to the CEO of Holding company to carry out related work.

1.5. Activities of the Board of Management independent members

PVOIL's BOM structure consists of 7 members, 02 of which are independent members. Each independent member of BOM, besides fully performing the functions, duties and powers stipulated in the Charter of organization and operation of the Corporation, also performed tasks in 2022 as assigned by BOM as follows:

- 🕒 Mr. Hang Anh Minh: Monitoring and supervising the activities of 8 PVOIL's subsidiaries including: PVOIL Thanh Hoa, PVOIL Nghi Son, PVOIL Vung Ang, Petec, PVOIL Tra Vinh, PVOIL Bac Lieu, PVOIL Laos, PVOIL Laos Trading.
- 🕒 Mr. Le Ngoc Quang: Monitoring and supervising the activities of 8 PVOIL's subsidiaries including: PVOIL Hai Phong, PVOIL Dinh Vu, PVOIL Thai Binh, Thai Binh PSC, PVOIL Binh Thuan, PVOIL Phu My, PVOIL Nha Be, Timexco.

In 2022, the independent members of BOM properly performed their assigned responsibilities and tasks; regularly participated in BOM meetings, providing opinions and voting independently on issues subject to decision by the BOM; participated in supervising and directing the activities of BOD and activities of the Subsidiaries as assigned by BOM.

1.6. List of members of the Board of Management with training certificates in corporate governance; List of members of the Board of Management participating in corporate governance training programs during the year

In 2022, PVOIL organized a number of corporate governance training programs for members of the BOM:

- 🕒 May 2022: Chairman of the BOM and CEO participated in “Senior Management Forum” in Hanoi.
- 🕒 September 2022 and November 2022: 02 BOM members participated in the DCP14 and DCP15 Board-of-Management Member Certification training program.

2. Board of Supervisors (BOS)

2.1. Information on members of Board of Supervisors

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

2.2. Activities of the Board of Supervisors

In 2022, the BOS has fully and seriously implemented the contents according to the operation plan approved by the AGM in 2022; comply with the provisions of the Enterprise Law and the Corporation's Charter, the direction of the major shareholder being the Vietnam Oil and Gas Group in accordance with the Regulation on management of representatives and the Regulation on management of investment capital in other enterprises; always ready to carry out inspection and report on issues when requested by shareholders or groups of shareholders in accordance with the Law on Enterprises. At the AGM, all members of the BOS attended, fully reported the contents as prescribed and always made comments, assessments and recommendations to the AGM in order to continuously improve the management, inspection and supervision at PVOIL.

The BOS held 02 meetings in 2022, and regularly exchanged internally to agree on the content of periodic/unscheduled monitoring reports. Specific meetings are as follows:

No.	Time	Attendees	Content	Result
1	November 14, 2022	3/3	Review and comment on the draft "Report on implementation results in 2022, operating plan in 2023 and the performance of BOS's duties and responsibilities assigned by PVN".	3/3 members approved

No.	Time	Attendees	Content	Result
2	November 22, 2022	3/3	Review and comment on the draft "Report on appraisal of Financial Statements for the first 9 months of 2022 PVOIL Holding company and consolidation" to submit to DKVN Group.	3/3 members approved

❖ *Summary of monitoring results in 2022*

Operating activities: During the year, despite being heavily affected by adverse oil price movements in the last 6 months of the year, PVOIL made great efforts to deploy production and business activities to get the results as reported by the Board of Directors at Part III of this report.

Business restructuring and innovation: special attention and promotion in line with the orientation approved by 2022 AGM.

Management: PVOIL issued and regularly updated the system of regulations and regulations serving management and administration and in accordance with regulations on governing public joint stock companies.

Financial and accounting work: The financial reports reasonably reflect the financial position as well as the results of business activities of PVOIL. PVOIL made and submitted reports in accordance with the State's regulations; made periodic reports and disclosed information to the State Securities Commission of Vietnam and the Stock Exchange in accordance with regulations.

Monitoring results for BOM: The BOM has implemented the contents approved by the AGM, ensuring regular and continuous production and business activities of PVOIL. In 2022, the BOM conducted many meetings in which 06 meetings were recorded in minutes, issued 90 resolutions to manage/direct PVOIL's activities in all fields: including 33 Resolution on Organization - Personnel - Labor - Salary; 34 resolutions on Directing the meetings of the Board of Members/BOM/AGM; 12 resolutions related to Production business - Investment; 09 resolutions related to Capital Investment - Divestment - Restructuring; 02 resolutions related to Finance.

The BOM has implemented its responsibilities and duties as prescribed in the Law on Enterprises and the Corporation's Charter; promptly direct, monitor and supervise the BOD in the implementation of resolutions and decisions of the AGM and of BOM.

The BOM works with a sense of responsibility, holding meetings and collecting written opinions to make decisions. The BOM regularly organizes meetings to clarify the recommendations of the BOD to make appropriate resolutions and decisions. The BOM regularly supports and creates favorable conditions for the BOS to perform its duties and responsibilities.

Monitoring results for the CEO: The CEO directed the Departments/ dependent units and subsidiaries of PVOIL to strictly implement the Resolutions/Decisions/Directions suggested by BOM of PVOIL; organize the management and administration of business activities within the scope assigned by BOM in accordance with the Charter and internal management regulations of PVOIL.

The CEO actively sought solutions to overcome difficulties in business and investment of PVOIL and at each subsidiary; Focus on promoting the search for opportunities for business

cooperation; Cooperation in processing Ron 91 base gasoline from Condensate with PVGas has been effective.

The CEO focused on promoting the search for opportunities for business cooperation and focused on promoting investment in petrol stations to develop and expand the retail system. Deploying business cooperation to develop a system of charging stations for electric vehicles with Vinfast at PVOIL's petrol stations; Continue to promote the application of information technology, automation, digital transformation and ERP into the business field.

The CEO actively directed the review and reported to the Board of Management (BOM) to handle backlog investment projects, actively implemented the restructuring and organizational arrangement of member units in the period of 2020-2025 approved by competent authorities. In 2022, the company completed the acquisition of shares from shareholders and converted PVOIL Trans, PVOIL Bac Lieu, and PVOIL Tra Vinh into one-member limited liability companies. Actively implemented divestment of investment capital in enterprises under the restructuring project and in 2022 completed divestment of all capital at Indochina Petroleum Transport JSC (PVTrans-PTT).

The CEO has regularly supported and created conditions for the BOS to perform its responsibilities and duties.

Evaluation of the coordination between BOS and BOM, BOD: BOS closely coordinated with BOM and BOD in performing assigned tasks. BOM and BOD created favorable conditions, provided relevant information and documents and appointed personnel to assist BOS in performing tasks. BOS was invited to attend important meetings of BOM/BOD, in addition, BOM/BOD also regularly consulted with BOS to find solutions to overcome difficulties and problems during the operation and have solutions to handle carefully, reasonably and legally for PVOIL.

3. Transactions, remunerations and benefits of the BOM, BOD, BOS and other managers in 2022

3.1. Salary, job-related allowances, remuneration of BOM, BOD, BOS

a) Salary, job-related allowances:

Unit: million VND

No.	Title	Amount members		Salary, allowances		% Paid/Planned	Note
		Plan	Achievement	Planned	Paid		
1	Specialized BOM (including member of BOM cum CEO)	6	6	6,183	7,420	120%	
2	BOS (specialized)	3	3	2,620	3,144	120%	
3	BOD (including Vice Presidents and Chief Accountants)		6		6,932		
	Total		15		17,496		

b) Remunerations of nonspecialized BOM:

Unit: million VND

No.	Title	Amount	Remuneration per month	Total remuneration fund paid in 2022	Total remuneration fund planned for 2023
I	BOM's member	01	15	180	180

(For details, please see the 2022 financial statement of the PVOIL's Holding company)

3.2. Share transactions by internal shareholders: none

3.3. Contracts or transactions with internal shareholders

- ✓ Transactions signed or performed during the year between the Corporation and Its Internal persons: No transactions
- ✓ Transactions signed or performed during the year between the Corporation and persons affiliated with Internal Persons: During the year, PVOIL had transactions with (i) a number of companies where Internal Persons of PVOIL hold/concurrently hold managerial positions and (ii) with Vietnam Oil and Gas Group (PVN) and its branches/affiliated units/subsidiaries – are related parties of the BOM's members representing PVN's capital at PVOIL. For details, please see Appendix 02 - Report on corporate governance in 2022 and Note 36 - Audited financial statements in 2022 of PVOIL.
- ✓ Transactions signed or performed during the year between subsidiaries, companies over which the Corporation holds control and Internal Persons: no transactions
- ✓ Transactions signed or performed during the year between subsidiaries, companies over which the Corporation holds control and persons affiliated with Internal Persons: During the year, some subsidiaries of PVOIL had transactions with companies where the Internal Persons of PVOIL hold/concurrently hold managerial positions. For details, please see Appendix 03 – Report on corporate governance in 2022.

3.4. Assessing the Implementation of regulations on corporate governance

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

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

PART III

BUSINESS PERFORMANCE IN 2022

1. General background

The year 2022 is an abnormal year for the world and domestic oil markets, with advantages and disadvantages intertwined and unprecedented.

In the first 6 months of 2022, the world oil price increased due to the strong recovery in demand after the Covid-19 pandemic, while the supply was tightened due to the lack of recovery of the production capacity of OPEC+ members. The war between Russia-Ukraine along with China's closure because of the "Zero Covid" aim has disrupted the global supply chain, further aggravated the oil shortage in the market; the difference between crude oil prices and oil product prices increased suddenly without precedent. The average oil price in the first 6 months of the year reached 107.6 USD/barrel, increased 65% compared to the same period, leading to a sharp increase in the price of petroleum products from 64% - 97% over the same period.

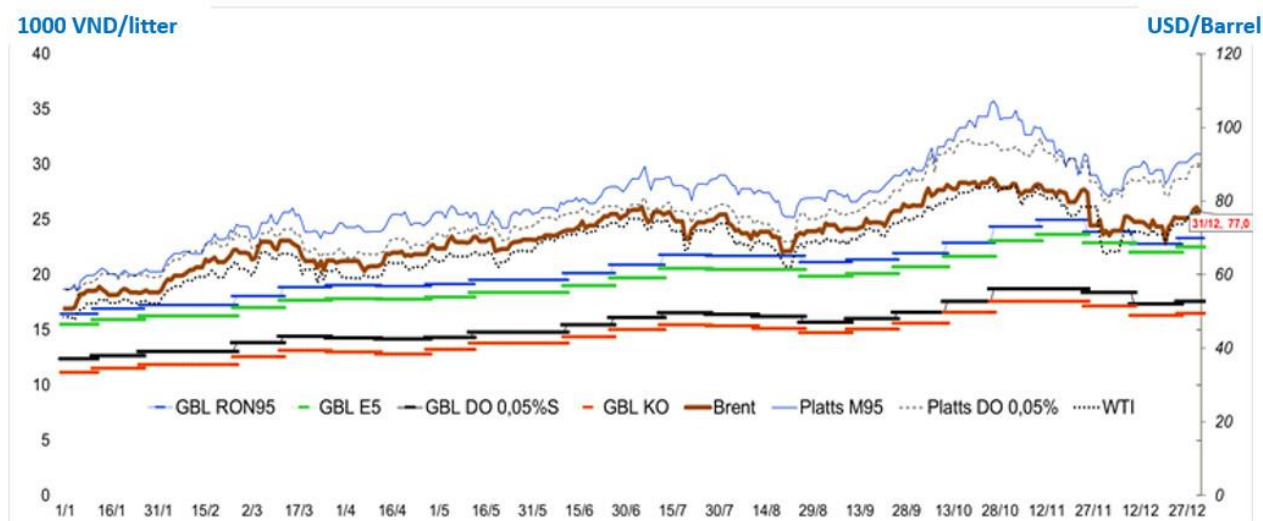
Since the beginning of the third quarter, world oil prices have continuously decreased because OPEC+ agreed to increase production to restrain prices, the growth prospects of major economies gradually weakened along with the specter of inflation, which caused central banks to simultaneously raise interest rates and China's implementation of the "Zero Covid" policy led to a sharp drop in consumption demand. Oil prices only recovered slightly in mid-October 2022 when OPEC+ cut production and then continued its downtrend.

On average in 2022, crude oil price Dtd. Brent was at \$101.19/barrel, increased 68.6% compared to KH construction oil price (\$60/barrel) and equal to 143% compared to the average in 2021 (\$70.73/barrel).

Domestically, thanks to good control of the Covid-19 epidemic after large-scale vaccination campaigns, production and trade activities recovered strongly, leading to a recovery in petroleum consumption demand. However, in the context of the global economy continuing to face many difficulties, massive inflation led to a continuous adjustment of interest rates with a large margin, many major economies in Europe and the United States faced recession, affecting all activities of the economy. GDP growth reached 8.02%, inflation was controlled at 3.15% in 2022. However, the economy is facing many risks and challenges.

For petroleum activities, the Government continues to operate according to Decree 83/2014/ND-CP and Decree No. 95/2021/ND-CP. From January 1, 2022, the price operating cycle is reduced to 10 days (instead of 15 days) and applies the base price formula under the new regulations. In the first 6 months of the year, petroleum prices continuously increased and peaked, the Government has adjusted and reduced the environmental protection tax twice from 500 to 1,000 VND/liter, applied until the end of December 31, 2022. The average price of petroleum products in 2022 increased from 42% to 72% compared to the average in 2021.

Movements of world oil prices and the State's retail price management in 2022 are as follows:



In the context of a challenging market, PVOIL has thoroughly grasped and implemented drastically throughout the system the key missions of the year, specifically: 1) *Actively and proactively preventing the Covid-19 pandemic*; 2) *Focusing on directing the implementation of the 2022 Production and Business Plan on the basis of maximizing the chain of production, transportation and distribution of crude oil and petroleum products with units in the Vietnam Oil and Gas Group, increasing business output on all 3 distribution channels*; 3) *Focus on implementing digital transformation*; 4) *Continuing to drastically implement corporate restructuring*; 5) *Actively adapt to the energy transition*.

In the period from September to November 2022, the supply in the market was especially scarce, import costs were high, business was at a loss, many private petrol stations operated in stagnation, sales were limited, even stopping operations, which significantly affects production and business activities, consumption and travel demands of people. With the responsibility of being a major distributor of the State, PVOIL has proactively implemented many synchronous solutions to ensure the source of supply to meet the sudden increase in demand in the distribution system, contributing to stabilizing the market and ensure energy security under the direction of the Government.

Thanks to good response to fluctuations in oil prices and supply in the market, drastic, synchronous and effective implementation of solutions, PVOIL increased output and maximized business efficiency in the first 6 months, simultaneously controlling and minimizing damage in the last 6 months of the year, exceeding the targets of the 2022 production and business plan assigned by the Annual General Meeting of Shareholders (AGM).

2. Production and business performance

2.1. Production targets

The results for each field are as follows:

No.	KPI	2021 Actual	2022		Comparison (%)	
			Plan	Actual	Year-over-year	Plan
1	Exporting/selling domestic crude oil and importing	9,698	10,334	10,404	107%	101%

No.	KPI	2021 Actual	2022		Comparison (%)	
			Plan	Actual	Year-over-year	Plan
	crude oil for Dung Quat oil refinery					
	- Exporting/selling (including selling to BSR)	8,987	7,912	8,643	96%	109%
	- Importing crude oil for BSR	711	2,422	1,762	248%	73%
2	Production of petroleum, lubricant	503	484	601	119%	124%
	In which: E5 gasoline	501	480	598	119%	125%
3	Petroleum trading	3,154	3,150	4,048	128%	129%
	Retail proportion	25.1%	28.9%	26.1%		

2.1.1 Import and export of crude oil

PVOIL safely and effectively sold the entire volume of crude oil of Vietnam Oil and Gas Group and other field owners exploiting on Vietnam's continental shelf with an output of 8.64 million tons, completing 109% of the year plan and down 4% over the same period.

PVOIL also ensures adequate and timely supply of all crude oil for Dung Quat Refinery with a total output of 7.5 million tons. Of which, 5.8 million tons are supplied from domestic sources and 1.7 million tons from imported sources. During the year, the factory increased the use of domestic crude oil, as a result, the imported output decreased compared to the plan.

2.1.2 Production of petroleum, lubricant

Production output in the year reached 601 thousand m³/ton, completing 124% of the plan and increasing by 19% over the same period, mainly E5 RON92 biofuel. During the year, PVOIL received the entire amount of condensate under the Joint Venture Agreement with PetroVietnam Gas Joint Stock Corporation (PV Gas) to produce E5 blend base petroleum, helping increase output, supplement supply in times of market scarcity and contribute significantly to the year's profit.

2.1.3 Petroleum trading

In the context of complex market developments, thanks to the synchronous application of business solutions, making the most of market opportunities, and promoting the link chain of raw materials - production - storage and distribution in the field of crude oil and oil products with units in the industry, PVOIL's petroleum business volume in 2022 achieved impressive growth.

Consumption volume of the whole system reached 4,048 thousand m³/ton, completing 129% of the year plan and growing 28% over the previous year, of which retail sales increased by 32% over the same period and completed 114% year plan.

2.2. Financial performance

Unit: VND billion

No.	KPI	2021 Actual	2022		Comparison (%)	
			Plan	Actual	Year-over-year	Plan
I	Consolidated					
1	Total revenue	58,299	45,000	104,833	180%	233%
2	Profit before tax	928	500	912	98%	182%
3	Profit after tax	773	400	723	94%	181%
4	Contribution to State budget	8,641	8,480	6,706	78%	79%
II	Holding company					
1	Revenue	33,391	27,000	73,742	221%	273%
2	Profit before tax	698	400	657	94%	164%
3	Profit after tax	569	320	555	98%	173%

Total consolidated revenue for the whole year reached VND 104,833 billion, completing 233% of the plan and increasing by 80% over the same period. PVOIL's revenue comes from two main areas: petroleum trading (67%) and international crude oil trading (33%). PVOIL set a record of revenue in 2022 thanks to a sharp increase in consumption volume, and at the same time with crude oil and petrol prices both higher than the plan.

Consolidated profit before tax reached 912 billion dong, 1.8 times higher than the assigned plan; profit before tax of Holding company reached 657 billion dong, 1.6 times higher than the assigned plan.

The consolidated contribution to state budget for the year (does not include data on budget payments of overseas units to the host country's government) reached VND 6,706 billion, achieving 79% of the year's target and equivalent to 78% year-over-year (thanks to environmental protection tax reduction by the Nation).

In the context of complicated market movements, difficulties and challenges, PVOIL has exceeded the targets of the 2022 production and business plan assigned by the General Meeting of Shareholders, in which important targets include petroleum sales volume, revenue, and profit have all completed far exceeding the annual plan and set new record milestones. These results are obtained because PVOIL has responded well to fluctuations in oil prices and supply in the market, synchronously applied business solutions, utilized market opportunities, and well promoted chain linking raw materials - production - storage, distribution in the field of crude oil and oil products with units in the industry.

3. Organization and personnel

3.1. Introduction of Board of Directors

Please see section 6.2 part I of this report

3.2. Changes in the Board of Directors

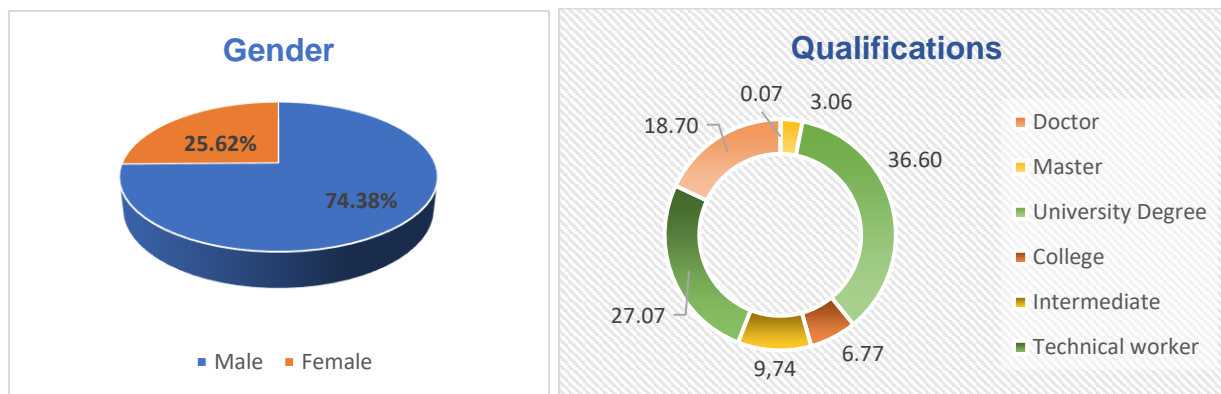
In 2022 PVOIL has no changes in its personnel.

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

3.3.1. Labor, salary

The total number of employees of PVOIL as of December 31, 2022 was 6,015 people.

Human resource structure:



With the business characteristics of PVOIL, most of the workforce works directly at petroleum storages and petrol stations, so the percentage of female employees is low, accounting for about a quarter of the total number of employees of PVOIL.

2022 is a year with many fluctuations in the petroleum market, PVOIL had to strain to ensure adequate supply for the whole system during the period of scarcity of petroleum and to ensure safe and effective business operations, while performing the political task of stabilizing the petroleum market. In that difficult context, the leadership team and all employees of PVOIL always promote the spirit of solidarity, joint effort, unanimity, determination to overcome difficulties and challenges to exceed the targets set by AGM and the Vietnam Oil and Gas Group. Thanks to their efforts and impressive results, the life and income of PVOIL employees in 2022 will increase significantly. The average income of PVOIL reached 17.73 million VND/person/month, an increase of more than 20% compared to 2021.

3.3.2. Policy for employees

Salary policy

PVOIL regularly reviews, updates and supplements regulations and regulations related to labor, salary, training, emulation and commendation...compliance with the regulations of the State, the holding company - PetroVietnam and the specifics of PVOIL.

- ✓ PVOIL ensures employment stability for employees, employees are assigned jobs in accordance with their expertise and capabilities; no job suspension or job loss during the year.
- ✓ Basically, PVOIL's employees are paid in accordance with the job title, capacity of each person, competitively and fairly;
- ✓ The allowances are applied in accordance with the conditions, working environment and job characteristics of each position;
- ✓ Every year, PVOIL's Holding company and some member units assign KPIs to its employees in order to raise the awareness, responsibility and work efficiency of each individual / department; on that basis, set up a plan to train and develop human resources as well as avoiding the leveling in salary and bonus payments, thereby contributing to encouraging the improvement of productivity, quality/effectiveness at work;

- ✓ PVOIL always strives to ensure stable income for employees to motivate them to continue to strive and contribute to the development of the Corporation. Specifically:
 - ✓ Insurance and health care policy: well implemented the regime of social insurance, health insurance and unemployment insurance in accordance with State regulations; Personal liability insurance - PVI Care, Retirement Insurance, Postpaid Life Insurance...; Periodic health examinations for all employees, female employees, screening for common cancers ... at high quality health centers.
 - ✓ PVOIL holds periodic dialogues to listen and answer employees' opinions. Thereby, PVOIL also informed the employees of the Corporation's business situation as well as the Corporation's regulations and rules, funds for laborers.
 - ✓ Other welfare and benefits: organizing sightseeing, vacation combined with teambuilding; organize movement activities (arts, sports, ..) on the occasion of the holidays of the year in order to connect and improve the mental health of employees.



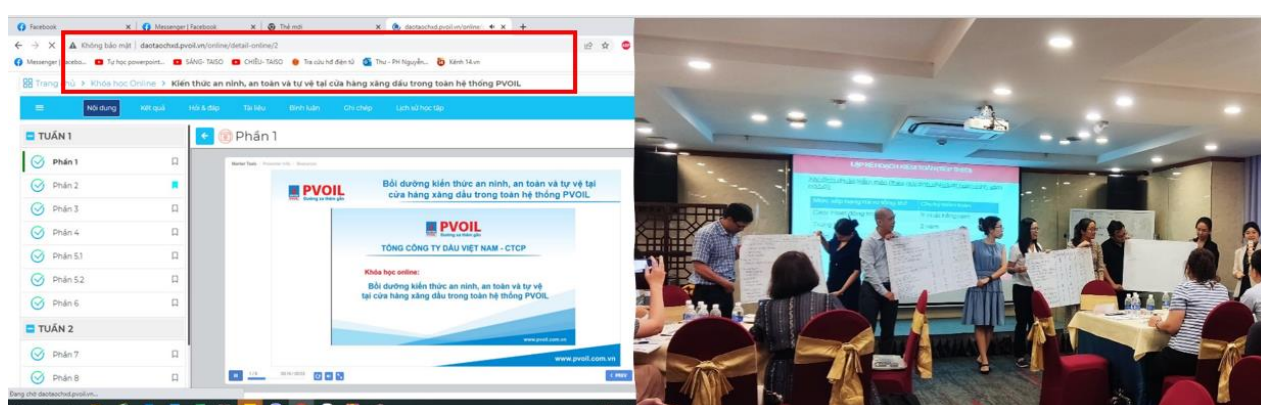
PVOIL organized football tournaments for employees and summer picnics for employees' children

Training policy:

PVOIL's training and human resource development plan is associated with the orientation in the training work of Vietnam Oil and Gas Group in 2022, which focuses on training to improve leadership/management capacity for middle level employees; implementing digital transformation and training in the direction of professional development necessary to improve work efficiency.

Diverse training forms suitable to the requirements of each course and optimizing costs such as in-house training, public training, internal training and e-learning.

In 2022, PVOIL trained 15,396 people at a cost of nearly 14 billion VND.



E-learning training course “Security, safety and self-defense knowledge at petrol stations in the whole PVOIL system”

Internal audit training course

4. Investment and project implementation

PVOIL continues to consistently promote the implementation of developing petrol stations, transition projects and projects to improve regulation and competitiveness through the application of information technology; improve service quality at all petrol storage and stations.

During the year, PVOIL developed 54 new petrol stations, completing 108% of the year plan. Total disbursement value of the whole system is 331 billion VND, reaching 61% of the year plan.

Details are as follows:

No.	Investment items	Plan (Bil. VND)	Actual (Bil. VND)	% Actual/Plan
1	New construction and renovation of terminal/depots	131	46	35%
2	New construction and renovation of petrol stations	217	181	83%
3	Other purchasing	192	104	54%
	Total	540	331	61%
	<i>In which: - Holding company</i>	<i>303</i>	<i>151</i>	<i>50%</i>
	<i>- Subsidiaries</i>	<i>245</i>	<i>180</i>	<i>73%</i>
	Investment from owner's capital	447	285	64%

5. Corporate restructuring and innovating

The restructuring and rearrangement of petroleum subsidiaries to optimize business operations and efficiency continued to promote in 2022 with specific activities as follows:

- ✓ Completing the transformation of PVOIL Trans, PVOIL Bac Lieu and PVOIL Tra Vinh into limited companies; Post-conversion units have come into stable operation. Develop and approve the plan to convert PVOIL Thanh Hoa into a limited company and is implementing it (expected to be completed in first quarter of 2023).

- ✓ Continue to implement the plan to merge units: PVOIL Tay Ninh - PVOIL Saigon and PVOIL Thai Binh - PVOIL Hai Phong
- ✓ Hire consultants to build long-term restructuring plans for 02 companies in Laos (PVOIL Laos and PVOIL Laos Trading)
- ✓ Continue to promote divestment in affiliated companies outside the main business; completed divestment at Indochina Petroleum Transportation Joint Stock Company (PVTrans-PTT).
- ✓ Biofuel Projects: Continue to coordinate with shareholders of BSR-BF, OBF and PVB to implement treatment plans for biofuel projects under the direction of competent authorities and comply with the order and provisions of law; At the same time, continuously update information about projects and report to competent authorities as required.
- ✓ Finalization of equitization: Continue to work with State management agencies to handle problems related to (i) finalization of PETEC equitization and (ii) arrangement and handling of land according to Decree No. 167/2017/ND-CP.

6. Financial summary

6.1. Financial summary (consolidated figures)

No.	Criteria	2021 (Bil. VND)	2022 (Bil. VND)	Comparison (%)
1	Total asset value	27,197.6	28,810.2	106%
2	Net revenue	57,836.0	104,213.8	180%
3	Operating profit	899.0	895.2	100%
4	Other profits	28.8	17.0	59%
5	Profit before tax	927.8	912.2	98%
6	Profit after tax	772.9	723.2	94%

No.	Criteria	2021 (Bil. VND)	2022 (Bil. VND)	Comparison (%)
1	Profit before taxes	927.8	912.2	98%
2	Depreciation expenses	346.5	336.2	97%
3	Interest expenses	144.6	179.7	124%
	EBITDA	1,418.9	1,428.1	101%

6.2. Major financial indicators (consolidated figures)

No.	Criteria	Unit	2021	2022
1	Solvency			
	Short-term payment ratio (Short term asset/Short term debt)	Time	1.37	1.35
	Quick Ratio (Short term assets-Inventories) / Short term debt	Time	1.21	1.18
2	Capital structure			
	Payables / Total assets	Time	0.59	0.61
	Liabilities / Equity	Time	1.43	1.54

No.	Criteria	Unit	2021	2022
3	Operating criteria			
	Inventory turnover <i>Cost of goods sold / Average inventories</i>	Round	24.81	36.29
	Net revenue / Total assets	Time	2.13	3.62
4	Profitability criteria			
	Profit after tax / Net revenue ratio	%	1.3%	0.7%
	Profit after tax / Equity ratio (ROE)	%	7.1%	6.4%
	Profit after tax / Total assets ratio (ROA)	%	3.1%	2.6%
	Operating profit / Net revenue ratio	%	1.6%	0.9%

7. Shareholders' structure, Change of owners' investment capital

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

- 🔥 Securities ticker: OIL
- 🔥 Par value: VND 10,000 (Ten thousand dong)
- 🔥 Securities type: common stock
- 🔥 Maximum foreign ownership room: 6.621%
- 🔥 Number of outstanding shares: 1,034,229,500 shares
- 🔥 Number of free float shares: 201,425,936 shares

7.1. Shareholders' structure

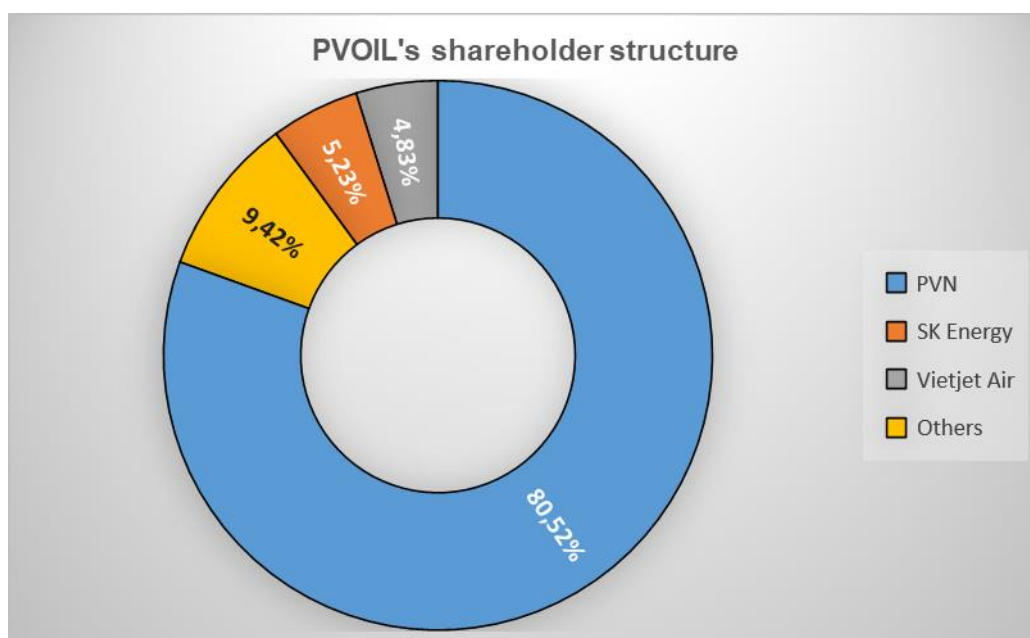
No.	Shareholders	Number	Shares owned	Value (par value) (VND)	%/Charter capital
I	Domestic shareholders				
	Institutional investors	12	884.323.168	8.843.231.680.000	85,51%
	Retail investors	12.641	86.773.265	867.732.650.000	8,39%
II	Foreign shareholders				
	Institutional investors	6	58.327.284	583.272.840.000	5,64%
	Retail investors	71	4.805.783	48.057.830.000	0,46%
III	Treasury shares	0	0	0	0%
	Total	12.730	1.034.229.500	10.342.295.000.000	100%

Source: List of shareholders at March 28, 2023

List of shareholders holding more than 5% of PVOIL's shares as of December 31, 2022:

No	Shareholders	Number	Shares owned	Value (par value) (VND)	%/Charter capital
1	Vietnam Oil and Gas Group	01	832,803,564	8,328,035,640,000	80.52%

No	Shareholders	Number	Shares owned	Value (par value) (VND)	%/Charter capital
	(PVN)				
2	SK Energy Co.Ltd.	01	54,121,507	541,215,070,000	5.23%



7.2. Owner's capital change: None

7.3. Transaction of treasury shares: None

7.4. Other securities: None

PART IV

BOARD OF DIRECTORS' REPORT

1. Evaluate the achievements in 2022

After an extraordinary year of the world and domestic oil markets, PVOIL successfully completed the tasks and plans assigned by the Annual General Meeting of Shareholders in all fields, specifically:

- ✓ **Complete and exceed financial targets, especially revenue and profit targets.**
- ✓ **Crude oil import and export entrustment:** Safe and efficient export and sale of all delivered crude oil and condensate; provide adequate and timely crude oil for operation of Dung Quat Refinery.
- ✓ **Petroleum production and distribution:** An impressive increase in petroleum sales volume in 2022 in all distribution channels, while increasing business efficiency in the context of complicated and unpredictable developments in the domestic and international markets, scarce supply.
- ✓ **Implement well and effectively the chain linking raw materials - production - storage, distribution in the field of crude oil and oil products with units in the industry.** To closely and effectively coordinate with domestic oil refineries in ensuring the source and supply of petroleum, especially in times of scarcity.
- ✓ **Successfully completed the development of the petrol stations target with opening 54 new stations.**
- ✓ **Corporate restructuring and revamping** continued to be promoted and achieved encouraging results.
- ✓ **Improving service quality, management capacity, brand promotion** was focused and effective, helping to improve the reputation and value of PVOIL brand, cultivating a solid foundation for long-term development goals



PVOIL excellent collective and individual honoring ceremony in 2022

2. Achievements

In order to survive and develop sustainably in a fierce and unstable competitive market and internal difficulties, PVOIL's Board of Directors must be really flexible in management and operation to have appropriate policies and constantly explore innovation to seek development opportunities and affirm its position. The impression of PVOIL over the years continued to be effective in 2022 were the achievement in diversifying and modernizing business operations and continuously improving the position and brand reputation in the market.

2.1. Seize the opportunity, promote the development of petrol stations in many forms

In its development strategy, PVOIL has always been consistent with the development orientation of expanding the retail distribution system of petrol stations, boosting sales volume into direct consumption channels (retail, selling to B2B customers) in order to improve the operational efficiency and stability and sustainability of the distribution system.

PVOIL performed very well in the development of petrol stations in the period of 2014 and earlier. In just a short time, the number of stations increased by nearly 5 times, the proportion of retail improved tremendously - from 2% to nearly 18% at the end of 2015. However, since Decree 83/2014 /ND-CP of the Government on petroleum trading was introduced and took effect from November 1, 2014, the domestic petroleum market opened to many participants, the number of major distributors and distributors increased sharply, the competition was getting fiercer and the opportunity to develop the petrol stations, including the retail system, became extremely difficult.

After 2 years of the Covid-19 pandemic, by 2022, petrol stations business activities are strictly controlled, credit continues to be tightened, interest rates rise..., making it difficult for many private businesses, forcing them to transfer/lease long-term stores. PVOIL seized the opportunity and accelerated the development of petrol stations in the year with 54 stations, more than 2 times higher than the average number of development in the period 2015-2021 and will continue to promote the development of petrol stations in the future.



Pictures of some petrol stations opening in 2022

2.2. Deployment of contract to install charging posts at petrol stations

In order to adapt to the energy transition trend, PVOIL has promoted cooperation with domestic and foreign partners to take advantage of opportunities as well as limit the negative effects of the energy transition on the basis of maximizing available advantages in terms of market share as well as petroleum distribution infrastructure, contributing to increase revenue and profit through non-oil services at petrol stations.

PVOIL signed a cooperation contract in the business of Vinfast charging stations at PVOIL's petrol stations. On July 4, 2022, Vinfast officially inaugurated and put into operation the first electric vehicle charging station at PVOIL petrol station in Cat Hai district, Hai Phong city, opening a chain of nearly 300 Vinfast charging stations will be installed at PVOIL petrol stations nationwide in 2022.



Inauguration ceremony of the first charging station at PVOIL Hai Phong petrol station

By the end of 2022, Vinfast has surveyed and agreed on the preliminary site for installing electric vehicle charging stations at 286 petrol stations with nearly 1,700 charging posts, has implemented construction and installation at 256 petrol stations and completed and handed over to PVOIL for managing 112 charging stations with 675 charging posts. As of March 2023, Vinfast has installed at 267 petrol stations, completed and handed over 147 charging stations with 875 charging posts. According to the contract, PVOIL are allowed to charge from the time Vinfast completes and hands over the charging station.

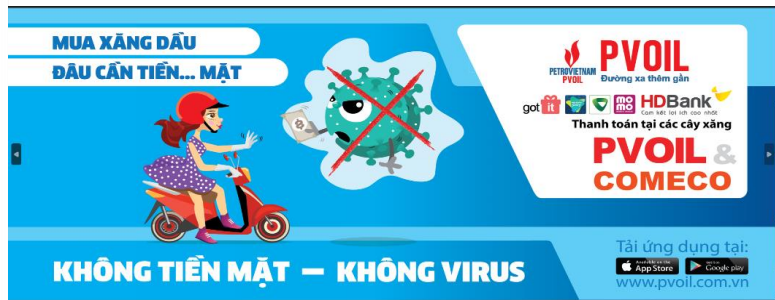
2.3. Promote 4.0 technology application and digital transformation

PVOIL is continuing to promote the application of IT, automation and digital transformation in a comprehensive manner in all fields of production and business with the main goal of increasing operational efficiency, enhancing experience, satisfying customers and creating a competitive advantage for PVOIL in the market with typical activities during the year as follows:

- ✓ Expanding the application of electronic signatures in the entire PVOIL system (official operation throughout the system from June 15, 2022).
- ✓ Tiếp tục hoàn thiện, nâng cấp và bổ sung tính năng PVOIL B2B để khai thác hiệu quả hơn phần mềm phục vụ khách hàng bán buôn và khách hàng công nghiệp.
- ✓ Research and develop ERP implementation plan for the period of 2021-2025; solutions to modernize fuel filling column of petrol stations; Sales service application for individual customers (PVOIL 4U).



PVOIL B2B for wholesale customers



PVOIL Easy integrates non-cash payment methods

2.4. Enhancing PVOIL's brand reputation

In times of scarcity (in the second half of 2022), many petroleum enterprises operate in moderation or even stop selling because of inefficiency. With the responsibility of a major distributor, PVOIL ensured the continuous and timely supply of quality petroleum in the quantity to meet consumer demand, contributing to stabilizing the market and enhancing the brand's reputation.

In 2022, brand communication and promotion continue to be promoted through regular activities such as: revamping petrol stations according to brand identity standards, participating in the main sponsorship of the VOC PVOIL Cup 2022 off-road racing tournament. In addition, during the year, PVOIL also advertised the PVOIL brand on Thai Binh PSC's drinking water products, PVOIL Lube's lubricant products and PVOIL Trans's transport vehicles.



Ensuring supplies at all time

By ensuring supply in all market conditions, continuously improving service quality and maintaining effective brand promotion activities, PVOIL's image is becoming more and more familiar to consumers nationwide, PVOIL brand has been confirmed for its prestige and quality in the market.



Sponsoring VOC PVOIL Cup 2020

3. Financial analysis

3.1. Assets and capital sources

Assets

Assets	2021		2022	
	Value (VND)	Percentage	Value (VND)	Percentage
Cash and cash equivalents	2,990,894,028,577	11%	4,081,852,242,021	14%
Inventory	2,578,271,658,502	9%	2,941,456,384,799	10%
Fixed assets	3,747,949,930,914	14%	3,651,453,863,973	13%
Long-term financial investments	801,330,548,617	3%	762,803,468,765	3%
Other assets	17,079,117,720,859	63%	17,372,612,105,570	60%
Total assets	27,197,563,887,469	100%	28,810,178,065,128	100%

PVOIL's consolidated assets on December 31, 2022 was VND 28,810 billion, an increase of VND 1,613 billion (6%) compared to the beginning of 2022, including: short-term assets of VND 23,233 billion and long-term assets of 5,577 billion dong. In which:

Short-term assets: increased by VND 1,683 billion dong, focusing mainly on cash and cash equivalents, short-term financial investments and inventories.

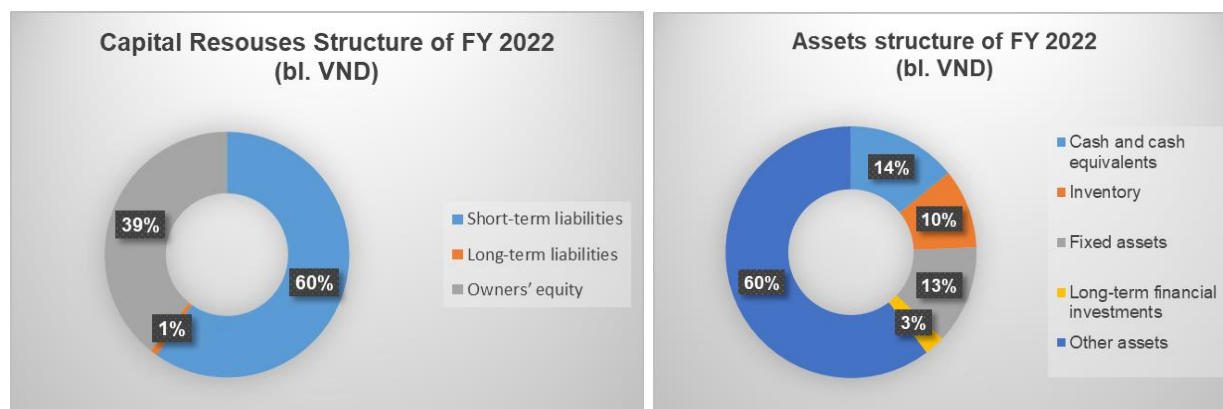
Long-term assets: decreased by VND 70 billion, focusing on fixed assets due to depreciation during the period.

Capital sources

Capital sources	2021		2022	
	Value	Percentage	Value	Percentage
Short-term liabilities	15,724,500,056,614	58%	17,214,876,762,847	60%
Long-term liabilities	287,921,996,006	1%	268,092,921,250	1%
Owners' equity	11,185,141,834,849	41%	11,327,208,381,031	39%
Total liability	27,197,563,887,469	100%	28,810,178,065,128	100%

Owner's equity of PVOIL excludes non-controlling interests as of December 31, 2022 was

VND 10,210 billion, increasing VND 199 billion compared to January 01, 2022 because of profit through business.



3.2. Liabilities

As of December 31, 2022, total consolidated liabilities were VND 17,483 billion, increasing VND 1,471 billion (9%) compared to the beginning of the year, focusing mainly on short-term debt. In particular:

- Short-term payables to suppliers were VND 9,264 billion, in which: Binh Son Refinery VND 4,428 billion, Petrovietnam Nghi Son Distribution Board (PVNDB) VND 2,628 billion, Brunei Shell Petroleum Company Sdn Bhd VND 669 billion, Elico Oil Pte Ltd VND 230 billion, Glencore Singapore Pte Ltd VND 212 billion, and other suppliers VND 1,097 billion;
- Other short-term payables of VND 4,588 billion dong, mainly collected and paid on behalf of the entrusted import and export crude oil, collected and paid on behalf of crude oil export tax.
- Short-term borrowings of VND 2,701 billion; Petroleum price stabilization fund was VND - 513 billion has been used according to the Joint Circular No. 39/2014/TTLT-BCT-BTC dated October 29, 2014 and No. 90/2016/TTLT-BCT-BTC dated June 24, 2016 jointly issued by the Ministry of Industry and Trade and Ministry of Finance;
- Other payables included tax, salary and other payables that are not due, ..., which totaled VND 930 billion.

4. Production and business plan for 2023

4.1. Forecasting

The year 2023 is forecasted to be an extremely difficult year for the world economy: many large economies are at risk of falling into recession, consumption demand declines, inflation continues to remain high, interest rates have not been showed any sign of decreasing. In addition, the Russia-Ukraine war continues to evolve in complexity. All of the above factors are forecasted to be the main factors affecting oil prices in 2023. Brent crude oil price, according to forecasts of some reputable organizations, fluctuates in the range of 85-100 USD/barrel.

Domestically, GDP growth is forecasted to drop sharply and inflation to increase significantly compared to 2022. In the optimistic scenario, GDP growth is forecasted only at 6.83%, inflation rate 3.69%, export growth at 8.43%.

Domestic petroleum trading activities are under the management of the Government according to Decree 95/2021/ND-CP, which is expected to be amended and supplemented in the direction of removing existing problems and making the market healthy.

Supply from two domestic oil refineries decreased significantly because both refineries were planned to stop operating for general maintenance periodically during the year.

4.2. Main missions

- + **Crude Oil Sector:** Ensure safe and efficient export/sales of the entire volume of crude oil/condensate domestically and abroad; sufficiently supply crude oil from domestic sources to Dung Quat oil refinery plant.
- + **Petroleum production:** Produce E5 RON92 gasoline, lubricants under PVOIL brand with the goal of increasing output together with ensuring quality and efficiency of the preparation, ensure system demand being met and supply to other distributors.
- + **Petroleum trading:** Organize petroleum trading in compliance with State's regulations and policies of PVOIL; strive to increase business outputs in all 3 distribution channels to expand market shares, in parallel with ensuring trading efficiency;
- + **Restructuring and revamping:** Promote the restructuring and rearrangement of the subsidiaries to optimize business operations and efficiency; coordinate with PVN, the Committee for Management of State Capital at Enterprises, and relevant agencies to handle the backlog and promote the settlement of PVOIL's equitization.
- + **Investment and development of the system:** Continue to seize the opportunity, promote investment and development of petrol stations in many forms. Continue to seek and promote the implementation of non-petroleum services at petrol stations.
- + **System administration and digital transformation:** Improve efficiency in management of cash flows and debts, reduce costs; continue to improve customer service quality at petrol stations and depots; promote scientific research and application of 4.0 technology in operation management.



Conference on implementation of business plan in 2023

4.3. Major objectives

Volume and finance targets

No.	KPI	Unit	2023 Plan	Compared to 2022 Actual
I	Production KPIs			
1	Crude oil export/sales and import crude oil for Dung Quat refinery	1000 tons	9,185	88%
2	Production of petroleum, lubricant	1000 m3/ton	484	81%
3	Petroleum trading	1000 m3/ton	3,300	82%
	- Retail proportion	%	28.4%	2.3%
II	Financial KPIs			
II.1	Consolidated			
1	Revenue	VND bn.	50,000	48%
2	Profit before tax	VND bn.	600	66%
3	Profit after tax	VND bn.	480	66%
4	Contribution to State budget	VND bn.	6,400	95%
II.2	Holding company			
1	Revenue	VND bn.	33,000	45%
2	Profit before tax	VND bn.	500	76%
3	Profit after tax	VND bn.	400	72%

Note: Revenue in 2023 is calculated on crude oil price of 70 USD/barrel

Capital investment plan

PVOIL continues to focus on investment in developing retail petrol stations and renovating facilities for petroleum business in 2023 with the following specific targets:

No.	Investment item	Quantity	Value (VND bn.)	Compared to 2022 Actual
1	Development and renovation of Terminal/depots		134	291%
2	Development and renovation of petrol stations (*)	58 petrol stations	326	180%
3	Other investment and procurement		178	171%
	TOTAL		638	193%
	<i>Of which: - Holding Company</i>		403	267%
	<i>- Subsidiaries</i>		235	131%
	Investment from owners' equity		517	181%

(*) Petrol stations were newly developed in the following forms: new construction, transfer, long-term lease, business cooperation. Planned investment value was recognized for investment stores in the form of new construction and transfer, for long-term leased petrol stations, related costs of business cooperation were included in business expenses.

5. Explanation of the Board of Directors for auditing opinions

PVOIL's 2022 consolidated financial statements was audited by Deloitte Vietnam Co., Ltd. Accordingly, the auditor's report includes 03 contents in the Basis for Qualified opinion and the explanation of the Board of Directors as follows:

Auditing opinion: "As presented in Note 18 of the Notes to the consolidated financial statements, as at 31 December 2022, the Corporation's investment in PetroVietnam Biofuels JSC (associate of the Corporation) was reported in the consolidated financial statements using the equity method of accounting with the amounts of VND 272,716,534,896 (as at 31 December 2021: VND 272,915,527,557). PetroVietnam Biofuels JSC has been being requested for dissolution and bankruptcy in accordance with prevailing regulations by Notice No. 385/TB-VPCP dated 2 October 2018 of the Government Office. Based on the current available information, we were unable to obtain sufficient appropriate audit evidence of post-acquisition changes in the Corporation's shares of net assets of PetroVietnam Biofuels JSC as at 31 December 2022. Consequently, we were unable to determine whether any adjustments to these amounts were necessary"

PVOIL's explanation: The investment in Petrochemical and Biofuels Joint Stock Company (PVB) is the Phu Tho Biofuel Plant project, which arose before the equitization of PVOIL. According to Notice No. 385/TB-VPCP dated October 2, 2018, of the Government Office, the Phu Tho Biofuel Plant project was proposed to consider the solution for dissolution and bankruptcy following the law.

PVOIL submitted a document to Vietnam Oil And Gas Group (PETROVIETNAM) to propose redefining this investment to 0 VND when making the equitization finalization (understood as eliminating this type of investment from the joint stock company). During the implementation of the project bankruptcy procedure, if there is any revocation of the liquidation of assets at the Phu Tho Biofuel Plant, PVOIL will pay the entire amount to the Business Development and Arrangement Support Fund. This issue was consulted by PETROVIETNAM for the handling of the State Capital Management Committee at enterprises in the official dispatch No. 3540/DKVN-HDTV dated July 1, 2019, on the rearrangement and handling of housing land and difficulties in the finalization of PVOIL's equitization.

The Government agreed to remove the Phu Tho biofuel project from the list of 12 slow-moving and inefficient projects in the Industry and Trade sector and removed it from the monitoring and handling list of the Steering Committee to handle shortcomings, weaknesses of some projects, slow progress and inefficient enterprises in the Industry and Trade sector according to the content of Official Dispatch No. 3554/VPCP-KTTH dated December 24, 2020 of the Government Office. Simultaneously, assigning PETROVIETNAM to proactively decide and implement according to authority. However, due to the impossibility of carrying out business valuation as a basis for making a plan to divest from PVB, the implementation of divestment at PVB could not be conducted.

Up to now, the Phu Tho Biofuel Plant is still in an unfinished state, construction and the final settlement has not been completed, so it is not possible to record the increase in project assets on the accounting books of PVB and PVB has not yet recorded a loss arising from this project.

PVOIL is continuing to work with PVB's shareholders and relevant agencies such as the Funding Bank, the Court, etc. to consider and decide on a settlement plan according to its competence and provisions of law.

Auditing opinion: "As stated in Note 08 of the Notes to the consolidated financial statements, as at 31 December 2022, the Corporation recorded the other receivable of VND 169,785,513,359 (as at 31 December 2021: VND 169,785,513,359) from Vietnam Oil and Gas Group, this other receivables related to the recovery of the accumulated losses incurred by

Petec Trading and Investment Corporation (“PETEC” – a subsidiary of the Corporation) until 18 May 2011, when PETEC officially changed its ownership into a joint stock company. Such receivable amount represents the State-owned capital contribution to PETEC as at 18 May 2011, nevertheless, has not been approved and finalized by the Vietnam Oil and Gas Group and competent authorities. Based on the current available information, we were unable to obtain sufficient appropriate audit evidence about the carrying amount of the above other receivables amount as at 31 December 2022. Consequently, we were unable to determine whether any adjustments to these amounts were necessary”

PVOIL’s explanation: This is the loss from the period of enterprise valuation (June 30, 2010) to the time of official conversion to a joint stock company (May 18, 2011) at the PETEC Trading and Investment Corporation (PETEC), is waiting for the Vietnam Oil and Gas Group to approve the value of the state capital at the time it is officially transformed into a Joint Stock Company of PETEC. According to the provisions of the law on equitization of state-owned enterprises, this loss will be considered and approved by the competent authorities when finalizing the equitization of PETEC.

PETEC/PVOIL has fully complied with the State's requirements on equitization settlement. Based on the direction of the Prime Minister and the opinions of relevant ministries, the Vietnam Oil and Gas Group has issued Document No. 7164/DVN-TCKT dated December 18, 2019 to the Commission for the Management of State Capital at Enterprises (CMSC) proposes to consider and approve the finalization of the equitization of PETEC.

In the coming time, PVOIL will continue to make efforts with the Vietnam Oil and Gas Group to work with the CMSC and competent authorities to promote the review and approval of the PETEC equitization settlement.

Auditing opinion: “As stated in Note 15 of the Notes to the consolidated financial statements, the cost of intangible assets as at 31 December 2022 included an amount of VND 29,702,935,030 (as at 31 December 2021: VND 29,702,935,030), representing the value of land lots of Sai Gon PetroVietnam Oil JSC (“PVOIL Saigon” – a subsidiary of the Corporation). However, the land use rights have not yet been granted, transferred or expired but not yet renewed for PVOIL Saigon. Based on the current available information, we were unable to obtain sufficient appropriate audit evidence of the rights and term to use such land plots as at 31 December 2022. Consequently, we were unable to determine whether any adjustments to these amounts were necessary”.

PVOIL’s explanation: This is the value of the land plots purchased by PVOIL Saigon for investment and construction of petrol and oil retail stores but the transfer procedures have not been completed or the lease period has not been extended due to the following reasons. : i) Still bearing the name Saigon Construction Enterprise (which is the predecessor of PVOIL Saigon) has not yet completed the name change procedure; ii) The procedure to change the land use purpose from agricultural land to business land has not been completed, so the land use right has not been transferred to PVOIL Saigon; iii) The lease term has expired but PVOIL Saigon has not completed the procedures with the locality to sign a new land lease contract.

This is a problem that existed before the equitization of PVOIL, recently PVOIL Saigon has made efforts to handle and complete the procedures for a number of land lots. The value of land lots which excepted by the auditors on the financial statements decreased from VND 60.1 billion as of December 31, 2018 to VND 29.7 billion as of December 31, 2022.

In the coming time, PVOIL will direct PVOIL Saigon to be more drastic in working with local management agencies to complete the legal procedures for PVOIL Saigon's land plots, on that basis will work with the audit unit to consider removing the exception on the financial statements.

PART V

BOARD OF MANAGEMENT'S REPORT

1. Overall evaluation on company's activities

2022 is an abnormal year for the world and domestic oil markets, with unprecedented advantages and disadvantages intertwined. In the first 6 months of 2022, the world oil price spiked significantly due to the strong increase in demand after the Covid-19 pandemic while the supply shortage was severe because the production capacity of OPEC+ member countries had not yet recovered and the global supply chain was "broken" due to the impact of the prolonged geopolitical war between Russia and Ukraine. Moreover, from the beginning of the third quarter onwards, the world oil price as well as the domestic retail price continued to decrease because OPEC+ agreed to increase production to restrain prices, and the demand for consumption dropped sharply due to the recession of the world economy and inflation. Domestic sources of goods faced many difficulties because the supply capacity of domestic oil refineries could only meet about 70% of total demand, while import sources were limited because of high surcharges, tight credit, the base price of petrol and oil, which had been operated for many times, was not close to reality; Some distributors did not guarantee the supply of petroleum to the system, many petrol stations stopped selling, putting great "pressure" on the distribution system of major hubs such as: PVOIL, Petrolimex. In the face of such developments, the BOM of PVOIL always closely monitors market fluctuations, gives specific instructions, and timely supports the management of production and business activities of the BOD:

- ✓ Main tasks - production and business: Due to good response to fluctuations in oil prices and supply in the market, drastic and effective implementation of key tasks, PVOIL were able to increase output and maximize output in the first 6 months of the year, control and minimize losses in the third quarter, exceed production and business targets according to the resolution of the AGM in 2022, in which, the output target completed 129% of the year plan and the consolidated pre-tax profit target completed 182% of the year plan; The Holding company alone completed 164% of the year plan.
- ✓ Investment: Focusing on directing and accelerating the implementation of transition projects from 2021, ensuring progress and efficiency; Accelerating investment preparation/implementation of projects to expand petroleum storages (including Bach Hac Phu Tho storage, Ba Ngoi storage, aviation refueling storage at Cam Ranh) and projects in the field of information technology application, digital transformation and ERP; Invest in developing the system of petrol stations throughout the system in line with the production business and development strategy of PVOIL; Improve the ability to consume petroleum through retail channels, seriously implement projects to improve customer service quality at storages (808) and petrol stations (1114) towards the goal of sustainable development. Continue to research and develop a business development plan for jet fuel Jet A1.
- ✓ Cost management: Strengthening cost management, lowering cost/cost of goods to improve competitiveness, increase operational efficiency from PVOIL to member units; Focusing on cost reduction in the whole PVOIL system; Carry out the audit of fuel costs in accordance with the State's regulations.
- ✓ Capital and risk management: Implement well the cash flow management, ensuring the safe, effective, flexible and purposeful mobilization, management and use of capital; Monitor, manage and handle/recover debts throughout the system, strictly control the problem of new bad debts; Regularly monitor and evaluate the efficiency of capital

investment outside the enterprise; Periodically review and evaluate the operation of units subject to special control, adding to or removing from special control; Strengthen supervision of the management of investment capital in other enterprises and the management of the Representative.

- ✓ Enterprise innovation, IT application and digital transformation: Continue to promote the application of IT, automation and digital transformation comprehensively in all areas of production and business in order to increase operational efficiency and improve management quality, creating convenience for customers, improving PVOIL's competitive advantage. Specifically: Completing and exploiting software to serve wholesale and B2B customers PVOIL; Expanding the application of electronic signatures to all units in the PVOIL system; Deploying a solution project to modernize petrol station pump poles; Building an application (App) serving sales for individual customers PVOIL 4U; Develop an ERP implementation plan at PVOIL in the period of 2021-2025.
- ✓ Personnel organization, training, labor, salary: To fully and properly fulfill the requirements of organization, personnel work, recruitment and training of personnel; Manage salary, bonus and policies according to regulations; Timely emulation and reward and encouragement of employees.
- ✓ Safety - fire prevention work: focusing on inspection and supervision of the observance of the State's legal documents on the work of environmental health and safety; Coordinating with the Police Department of Fire Prevention and Control in inspecting the observance of legal regulations on fire prevention and fighting at PVOIL office block and other units in the system; Assess/check the implementation of Project 1114 at all petrol stations and Project 808 at all storages/ports in the system; Organize training on safety control, psychological training in fire fighting, rescue operations, and in-depth identification and assessment of oil spill hazards in operation at PVOIL's petroleum storage system.
- ✓ Restructuring work: Continuing to implement the PVOIL reorganization and restructuring plan for the period of 2020 - 2025, which includes a work group to restructure the Holding company, a work group to organize/re-arrange units membership, divestment of investment enterprises outside the industry and the group to restructure biofuel plants. In 2022, completed the transformation of PVOIL Trans, PVOIL Tra Vinh, PVOIL Bac Lieu into one-member limited liability companies; Completing the business valuation, developing and approving the plan to convert PVOIL Thanh Hoa into a one-member limited liability company; Continue to implement the plan to merge the following units: PVOIL Tay Ninh - PVOIL Saigon and PVOIL Thai Binh - PVOIL Hai Phong; Successful divestment at Indochina Petroleum Transportation JSC (PVTrans-PTT); Hire a consultant to develop a long-term restructuring plan for PVOIL Laos; Follow up/co-ordinate with competent authorities to speed up the finalization of the equitization of PVOIL and PETEC.
- ✓ Biofuel Projects: Continue to coordinate with shareholders of BSR-BF, OBF and PVB to implement treatment plans for biofuel projects under the direction of competent authorities and comply with the order and provisions of law; At the same time, continuously update information about projects and report to competent authorities as required.
- ✓ Scientific research and response to the energy transition: Continuing to study the impact of the energy transition on the petroleum industry and searching for solutions as a basis for considering and adjusting the strategy business plan of PVOIL to respond in line with the trend of energy transition and electric vehicle development roadmap in

the world as well as in Vietnam. In 2022, PVOIL has cooperated in installing and trading electric charging stations with Vinfast at many petrol stations in the system.

- ✓ Prevention of the Covid-19 epidemic: PVOIL has strictly complied with the regulations on Covid-19 disease prevention and control, regularly updated and forecasted the development of the epidemic, developed a safe adaptation plan, disease control to ensure compliance with the Government's socio-economic status transition strategy and PVOIL's operation characteristics.

2. Evaluation on BOD activities

In the context of extremely difficult 2022 with unprecedented fluctuations in the petroleum market, the BOD has well grasped market opportunities, effectively operated business and managed inventory reasonably, control and flexibly adjust in cargo dispatch, limit damage when the market is unfavorable, fulfill the role of PVOIL's business operation in accordance with the objectives and orientations of PVOIL's AGM and BOM. The results are as follows:

- ✓ Ensure business and production activities take place continuously and stably in all fields; Continue to well control the Covid-19 epidemic situation in the system, ensuring that it does not affect the production and business activities of PVOIL.
- ✓ PVOIL's 2022 AGM was successfully held as planned; The 2021 annual report and information disclosure are carried out transparently and on time.
- ✓ Regarding business plan for 2022, BOD sufficiently, earnestly implemented and successfully completed the main business and production targets assigned by the AGM and BOM, in which the main indicators include petroleum trading volume (129%), revenue (233%) and profit before tax (182%). In parallel with the implementation of the business plan, the Board of Directors has also completed many other key tasks assigned by the BOM such as: Restructuring - business innovation; Invest in the development of a system of petrol stations and arrange the planning of a port system; The application of 4.0 technology and digital transformation continued to be aggressively deployed; System administration: reducing costs, managing finances safely and effectively, improving service quality at petroleum storages and stations through the implementation of Project 1114, Project 808, and pilot implementation of non-oil services at a number of petrol stations in the system, security - safety, fire prevention; Union activities, social security, charity, are interested and actively deployed throughout the system with many meaningful activities.

General assessment: During the management of PVOIL's business activities in 2022, the CEO and BOD strictly complied with regulations and management decentralization in the Charter and internal regulations of PVOIL as well as resolutions of AGM and BOM; Found several flexible and timely operating solutions and achieved many encouraging results; Successfully completed the business plan and key tasks assigned by AGM and BOM; Continued to improve income, improve the living standards of workers.

3. Action plan and orientation in 2023

On January 11, 2023, the PVOIL's BOM issued the Work Plan for 2023 of PVOIL's BOM in order to concretize the work aspects of the year of BOM in accordance with the strategic orientation of medium and long-term development; The Corporation's restructuring plan for the period of 2020 - 2025 and the Corporation's business plan in 2023. In 2023, BOM will focus on the following issues:

- ✓ Business activities: Directing the successful implementation of the Production and Business Plan in 2023 on the basis of ensuring that there is always enough petrol and oil supply for the system, stabilizing the market; Maximize competitive advantages, seize development opportunities, effectively take advantage of benefits from the chain of production - transportation - distribution in the Vietnam Oil and Gas Group; Improve business output, expand market share; Efficient exploitation of petroleum storage system. Regularly monitor the implementation of production and business plan targets through monthly/quarterly and yearly results of production and business activities of the Corporation and the whole system. Directing necessary solutions to ensure the completion of the business plan in 2023.
- ✓ Financial and risk management: Direct and supervise cash flow management, ensuring safe and effective mobilization, management and use of capital; Direct and supervise the management, handling and collection of debts throughout the system; Direct the supervision and evaluation of capital investment outside the company; Special financial supervision at some subsidiaries in accordance with provisions of law and internal regulations of PVOIL.
- ✓ Investment: Direct, expedite and supervise the implementation of investment projects as planned, including projects carried over from 2021, ensuring progress and efficiency; Focus on promoting investment in petrol stations in line with the PVOIL's development strategies; Continue to review and arrange the warehouse and port system in the whole PVOIL system in order to reduce operating costs and increase efficiency of warehouses and ports; Continue to direct the implementation and study of business development project for Jet A1 jet fuel.
- ✓ Organization, labor and salary: Directing issues related to reforming the organizational structure of PVOIL and its member units, improving the operational efficiency of the whole system; Direct the development and approval of 2022 payroll and labor use plan of PVOIL (Holding Company).
- ✓ Restructuring and finalization of equitization: Continue to direct the implementation of the plan to arrange and restructure PVOIL in the 2020 – 2025 period; Continue to direct the implementation of resolutions for OBF, PVB and BSR-BF Biofuel projects; Direct to closely coordinate with competent authorities to accelerate the finalization of the equitization of PVOIL and PETEC.
- ✓ Digital transformation, 4.0 technology application and value chain building in the Vietnam Oil and Gas Group: Continue to supervise and direct the promotion of digital transformation and 4.0 technology application in the system PVOIL with the focus: Accelerating the expansion and promotion of the existing PVOIL Easy technology platform, building a sales application on the internet platform (App sales); Modernizing petrol pump connected to point of sale software; Other utility storage management software applications; Building ERP system in business administration; Maximize the use of information technology infrastructure and online working tools. Developing non-petroleum (non-oil) business activities at petrol stations. Continue to direct business cooperation, build PVN value chain with units in the Vietnam Oil and Gas Group.
- ✓ Inspection and supervision: Organize and closely supervise business activities of entities in the system; Strengthen inspection and control to ensure that entities in the system operate in line with direction and targets.
- ✓ Brand building and development: Directing the change of the brand identity to synchronize with the brand of the Vietnam Oil and Gas Group, developing and expanding the coverage of the PVOIL brand.

- ✓ Continue to closely follow the development orientation of the petroleum industry and actual conditions in order to promptly develop, amend and supplement PVOIL's business strategies and plans accordingly.

PART VI

SUSTAINABLE DEVELOPMENT REPORT

1. Key messages

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

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



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

In terms of developing people, PVOIL determines that human resources play an important role, an indispensable factor and a great resource to create success and bring efficiency to businesses. Therefore, PVOIL focuses on training and improving professional capacity; ensure job stability, improve material and spiritual life for employees; constantly improve working conditions, create a professional working environment; harmony in labor relations..





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

2. The operating principle of PVOIL for related parties

	<p>For employees:</p> <ul style="list-style-type: none"> - Job security; Develop a compensation policy commensurate with the employees' dedication and contributions. - Training and improving professional capacity; Assign and evaluate work by KPIs, encourage productivity improvement, work quality/effectiveness. - Professional, safe and friendly working environment.
	<p>For customers: PVOIL ensures to provide highest quality products and best services to customers. PVOIL is a pioneer in developing E5 biofuel business to replace fossil fuels, which helps to reduce emissions and protects the environment. The petroleum products, lubricants and biofuels that PVOIL supplies to the market always ensure best quality with enough quantity. In addition, PVOIL has implemented Project 1114 and Project 808 to the whole petroleum network to improve the quality of customer service at petroleum stations and depots; diversifying services to bring more benefits to customers such as PVOIL Easy, PVOIL Mobile</p>
	<p>For shareholders and investors: PVOIL always aims to maximize corporate value with the great efforts to complete and exceed the planned targets. At the same time, providing sufficiently, timely and transparent information about the operation of PVOIL through seminars, communication channels, websites and means of information disclosure in accordance with regulations.</p>
	<p>For business partners</p> <p>PVOIL keeps the principle of healthy competition, mutually beneficial cooperation and ensuring benefits for customers.</p>
	<p>For the community and society: PVOIL commits to fulfill its responsibilities to the community and society via practical activities.</p>

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

3.1. Maintain the effectiveness of the SH&E

Management system of the SH&E

- ✓ The management system for SH&E at PVOIL has been established, regularly implementing and organizing the synchronous, rhythmic and strict activities from PVOIL to its branches and subsidiaries throughout the whole system, from the highest levels of leadership to specialized/part-time specialists.
- ✓ Building a team of safety and hygiene staff in PVOIL to ensure safety and hygiene in production and business activities.
- ✓ Develop a safety management program, a quantitative risk assessment report and an emergency response plan in accordance with the law.



Maintaining and improving the safety management system

- ✓ Integrated quality management system (IQMS) of PVOIL has been developed, maintained and complied with since 2012 in the whole system. This has been assessed and received certificate by the BSI British Standards Institute as a Management system with Safety - Environment - Quality according to requirements of the International Standard for Occupational Health and Safety Assessment Series OHSAS 18001: 2007 / ISO 45001: 2018, environmental management system namely ISO 14001: 2015 and quality management system ISO 9001: 2015. The system has been updated, revised and issued after PVOIL officially became a joint stock company in accordance with the requirements of the new version of ISO.
- ✓ The implementation of Project 1114 "Improving customer service quality at petroleum stations" and Project 808 "Improving the quality of customer service at petroleum depots" have contributed positively in ensuring compliance with the professional process, proficiency in fire safety and safety rules, safe operation, proficient use of fire protection equipment and troubleshooting at petroleum stations and depots throughout the system.
- ✓ Maintaining compliance and improving the management system strictly, which is implemented by PVOIL through:
 - ✓ The internal inspection and evaluation of PVOIL on SH&E is maintained annually.
 - ✓ Monthly inspection and evaluation for Project 1114 "Improving the quality of customer service in construction stations" and Project 808 "Improving the quality of customer service at petroleum depots" with 04 turns for all depots and petroleum stations in the system;
 - ✓ Periodic monitoring and evaluation activities of the British Standards Institute (BSI): The unsuitable findings and improvement recommendations of BSI are monitored, planned and implemented to overcome, prevent and renovate according to the process.
 - ✓ Training for employees on related contents. In 2022, PVOIL has trained employees who work directly at petroleum storages in the course of "Safety control and psychological training in firefighting, and rescue" and the course "Identify, in-depth assessment of oil spill hazards in the operation of the PVOIL petroleum storage system" at the affiliated petroleum storages. Organize oil spill drills. Organize occupational safety and hygiene contest for the whole Corporation.

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

In 2022, PVOIL continues to maintain the implementation of measures from prevention to readiness to respond to incidents to ensure safety and fire prevention throughout the system with the following typical activities:

- ✓ All terminals/deports and petrol stations organized of rehearsal of fire prevention and fighting plans, responding to environmental incidents and emergency escape with the

participation of local functional forces to improve the readiness of rescue forces in place and safety awareness of employees;

- ✓ PVOIL has combined to organize direct training courses on SH&E in accordance with the law; implemented "Safety assessment of ports/depots" according to international practices, training "coordinating fire fighting between ships and shores", hygiene security for all labor, periodically practicing fire protection;
- ✓ PVOIL also regularly warn and timely prevent natural disasters, storms and floods, ensure safety for people and reduce damage to property. The Steering Committee of the Emergency Office will be on duty 24/24 on the occasion of holidays, New Year or the time of storms, floods ... in order to timely direct and handle emergencies; Organize the direct force to save oil spill in the process of importing and exporting petroleum at all depots in the system;
- ✓ In 2022, the Fire Prevention and Fighting Police Department inspected the observance of the provisions of the law on fire prevention and fighting at PVOIL according to Decision No. 439/PCCC&CNCH-TTra dated March 4, 2022. PVOIL has solved the shortcomings after the conclusion of Inspector No. 1673/KL-PCCC&CNCH-TTra dated July 4, 2022.
- ✓ PVOIL always maintains a monthly report, periodically and irregularly inspects safety, security and fire prevention work at units in the whole PVOIL system.

3.3. Employee health care

- ✓ Periodically, the Corporation has organized periodic measurement and inspection of the working environment and effective labor protection, to ensure the health of workers and prevent occupational diseases.
- ✓ Organize periodic health examination for all employees; do occupational disease examination for direct workers, and intensive examination for some cases of suspected occupational diseases.
- ✓ PVOIL also implemented in-kind compensation for employees working at the ports/ depots and petroleum stations
- ✓ For units with collective kitchens, always strictly control the origin of food to ensure nutrition and food hygiene and safety for employees.
- ✓ In addition, to help employees get financial security in case of medical examination and hospitalization, PVOIL has applied the policy of purchasing PVI Care insurance for employees for many years.

3.4. Environmental protection and waste control

- ✓ PVOIL regularly monitors and updates the implementation of newly issued legal documents. PVOIL disseminated and implemented throughout the system the Law on Environmental Protection 2020 and documents under the Law for Units in the whole system.
- ✓ Periodically test environmental quality, conduct oil spill response rehearsal, hazardous waste management, and operate the wastewater treatment system effectively. The results of monitoring environment at subsidiaries of PVOIL in 2022 met the standard in accordance with regulations.
- ✓ Investing, upgrading and regular maintaining wastewater treatment system in depots of PVOIL.

- ✓ Strictly carry out the classification of waste, equip hazardous waste storage containers / houses for safe collection and storage. The treatment of ordinary waste and hazardous waste is assigned to functional units to comply with regulations. In 2022, the units in the PVOIL system collected and transferred to the Unit with the function of treating about 137 tons of hazardous waste, about 920 tons of domestic waste and about 12 tons of normal industrial waste.

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

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

- ✓ Maintain periodic propaganda for occupational safety and health, world environment day, earth hour, fire prevention and fire prevention day ... help raise awareness of officials and employees about compliance requirements of legislation on safety - fire protection, environmental protection and worker health.
- ✓ In 2022, PVOIL organized the 4th PVOIL Petrol Station Skills Competition "Good Sales Team" in 2022 and participated in the 9th Employees' Safety and Hygiene in 2022 of Vietnam Oil and Gas Group organized according to plan.



The 4th "Good Sales Team" Competition

3.6. Health and occupational safety indicators

The rate of injury, occupational diseases, sick days, absence and the number of deaths relating to work in each area of PVOIL in 2022 is listed as follows:

No	Indicators	Unit	Number
1	Occupation accidents		0
	- Total number of occupation accidents	Case	0
	- Total number of people have occupation accidents	People	0

No	Indicators	Unit	Number
	- Total expenses for occupation accidents (emergency, treatment, pay for leaves, compensation, benefits...)	VND million	0
	- Property damage (in cash)	VND million	0
	- Numbers of leaves because of occupation accidents	Day	0
2	Occupation disease		0
	- Accumulated number of people have occupation disease	People	0
	- Numbers of leaves because of occupation disease	Day	0
	- Numbers of early resigns because of occupation disease	People	
	- - Total expenses for people with occupational diseases in 2019 (expenses are not included in the occupational safety and hygiene plan such as: treatment, salary payment on holidays, compensation, allowance, etc)	VND million	0
3	Result of health classification of workers		
	+ Type I	People	339
	+ Type II	People	1.388
	+ Type III	People	3.853
	+ Type IV	People	16
	+ Type V	People	3
4	Number of sick leaves	Day	0

3.7. Main tasks of safety, health and environmental protection (SH&E) in 2023

2022 achievements affirmed the continuous efforts of the Board of Management and the staff of PVOIL in ensuring SH&E, strengthening the brand and image of PVOIL for a safe and sustainable future. In order to continue to promote this achievement, PVOIL sets some main tasks in 2023 as follows:

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

4. Environmental compliance

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

- ✓ Fully equipped equipment and staff, environmental treatment systems are operated, maintained in accordance with regulations
- ✓ Organize forces to manage safety, health, environment and emergency incident rescue at all member units in the whole system;
- ✓ Develop plans for oil spill rescue and hire professional rescue forces at petroleum port depots;
- ✓ Petroleum depots and petroleum station are certified/recertified by the specialized agency for safety and environmental protection (Environmental Impact Assessment Report, Environmental Permit, Commitment to Environmental Protection, License to discharge wastewater into water sources...) before coming into operation and during the operation.
- ✓ Effectively maintain the integrated management system of environmental safety according to ISO 9001: 2015, ISO 14001: 2015 and ISO 45001: 2018

5. Environmental impact report

5.1. Environmental impact:

- ❖ Total direct and indirect greenhouse gas emissions (GHG): 2,565 tons of CO₂
- ❖ PVOIL's initiatives and measures to reduce greenhouse gas emissions:
 - ✓ Install air roofs for petroleum tanks;
 - ✓ Strictly implement closed delivery procedures at petrol stations;
 - ✓ Improving technology to recover gas products in the distillation process as fuel for heating furnaces.

5.2. Raw Material Management

- ❖ Total amount of materials used to produce and package PVOIL's main products and services during the year:
 - ✓ Condensate (Naptha): 141,000 m3
 - ✓ Base oil used for lubricant production: 2,244 tons
 - ✓ Additives used for lubricant production: 301 tons
 - ✓ Packaging of lubricant oil:

No.	Packaging name	Unit	Quantity
1	Cans	Can	381,944
2	Bucket cans	Can	29,962
3	Drum cans	Can	7,617
4	Carton boxes	Box	19,572

- ✓ Mineral water: 10,500 m3
- ❖ Report on the percentage of recycled materials used for manufacturing PVOIL's main products and services: Not applicable

5.3. Energy consumption

- ❖ Direct and indirect energy consumption: 13,128,255 kW, increased by 22% compared to 2021
- ❖ Energy-saving initiative report and amount of energy saved by energy efficiency

initiatives: not yet conducted

5.4. Water consumption

- ❖ Water supplies and water consumption: supplies from local water or borewells.
- ❖ Water consumed in 2022 was 317,706 m³, increased by 17% compared to 2021.
- ❖ Percentage and total volume of recycled and reused water: wastewater at the Corporation's petroleum depots and petroleum stations, mostly hazardous (oil-contaminated), was treated to meet the standards of water discharging into the environment. However, PVOIL has not yet recycled or reused such wastewater.

5.5. Compliance with law on environmental protection

- ❖ Number of penalties due to non-compliance with environmental law and regulations: Zero
- ❖ Total amount of penalties due to non-compliance with environmental law and regulations: Zero

6. Report on social issues

6.1. Employment



Total employees as of December 31, 2022

6,015 people



Average salary of the employees

17.73 million/person/month



Welfare provided to full-time employees

- ✓ Health, health insurance
- ✓ Long-term benefits: life insurance
- ✓ Sightseeing, vacation, cultural activities
- ✓ Eating shift, birthdays ... for employees
- ✓ Arts and entertainment, singing



No discrimination

PVOIL commits not to discriminate race, color, gender, religion, political views, national origin or social origin. There was no discrimination in PVOIL in 2022.



Do not use child labor and forced labor

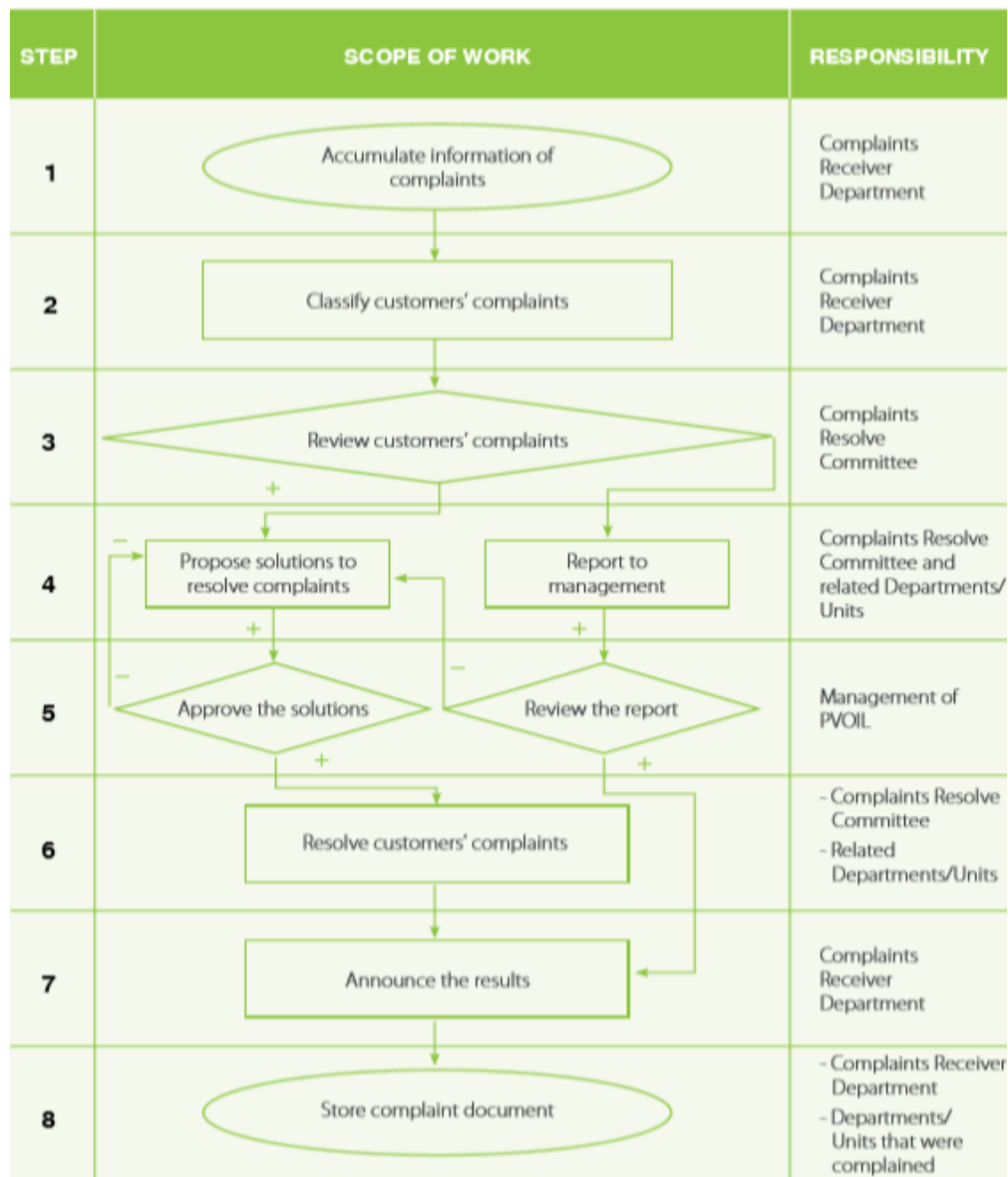
PVOIL commits not to use child labor and forced labor, using labor in accordance with the legal age.

6.2. Responsibilities of products and services

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


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


PROCESS FOR HANDLING COMPLAINTS




Customers can make suggestions and complaints through the following forms:


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


 Email to: **contact@pvoil.com.vn**

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

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

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








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

 **08.96618800** Supported to PVOIL Easy nationwide

 Customers' feedback/complaints to petrol stations: hotline numbers listed in stores.

6.3. Responsibility to the community

Fully aware of the responsibility to the community and aspired to contribute to a better and more compassionate society, in 2022, besides the traditional charity and social programs from many previous years, PVOIL promoted meaningful and practical activities to share the responsibilities with the community. Total expense of charity works in the year was nearly 21 billion VND with detailed activities as follows:

-  Participating in sponsoring activities such as building schools, health centers and Great Solidarity houses in localities throughout the country: VND 19.3 billion
-  Other charity and support activities: 1.6 billion VND
-  Serving the Vietnamese Heroic Mother and the Martyr's Mother in Cu Chi District;
-  Visiting and giving Tet gifts and gifts on the occasion of July 27 to the Vietnamese Heroic Mother and the Mother, Wife of Martyrs in Cu Chi district, orphaned grandchildren due to Covid-19 influence in Nha Be district; Giving gifts to the poor, people with meritorious services and victims of Agent Orange in Thai Binh province; Support Thien Phuoc Orphanage Center;
-  Organizing Children's Summer Camp for children from 6 to 15 years old at Giang Dien Tourism Area; Visiting, giving medicine, giving gifts to people in difficult circumstances in Tan Phuoc district, Tien Giang province;
-  The program "Going home with PVOIL to celebrate Tet" Spring Quy Mao 2023 by the Youth Union of PVOIL in collaboration with the Student Support Center of Ho Chi Minh City and the delegation of Ho Chi Minh City University of Technology and Education, Vietnam National University, Ho Chi Minh City University of Economics... organized. This is the 5th year that PVOIL has implemented this meaningful program, supporting nearly 1,000 students each year to return home to celebrate Tet;
-  PVOIL Youth Union cooperated with the University Hospital of Medicine and Pharmacy of Ho Chi Minh City to organize free medical examination, distribution of medicines and gifts for 500 disadvantaged people in Tan Phuoc district, Tien Giang province.



**CONFIRMATION BY THE COMPANY'S LEGAL REPRESENTATIVE
PRESIDENT & CEO**

(Signed)

Doan Van Nhuom

PART VII

AUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

Please see at the link below:

<https://www.pvoil.com.vn/en-US/investor-relations/financial-statements/2022-7>