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DRAFT

REPORT

OPERATION RESULTS IN 2022 AND OPERATION PLAN OF 2023 OF THE BOARD OF SUPERVISORY

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

Pursuanting to the Enterprise Law No. 59/2020/QH14 dated June 17, 2020 of the National Assembly;

Pursuanting to the Law on Securities No. 54/2019/QH14 dated November 26, 2019 of the National Assembly;

Pursuanting to Decree No. 155/2020/ND-CP dated December 31, 2020 of the Government detailing a number of articles of the Law on Securities;

Pursuanting to Circular No. 96/2020/TT-BTC dated November 16, 2020 of the Ministry of Finance guiding the disclosure of information on the stock market;

Pursuanting to the internal regulations on governance of PetroVietnam Oil Corporation - JSC approved by the Annual General Meeting of Shareholders (AGM) on April 27, 2021 and the amendments and supplements.

The Board of Supervisory (BOS) of PetroVietnam Oil Corporation - JSC would like to report to the AGM the operation situation in 2022 and the operation plan in 2023 as follows:

PART I

OPERATION REPORT OF THE BOS IN 2022

I. SELF-ASSESSMENT REPORT OF THE BOS AND PER SUPERVISER

1. Operational results of the BOS

On the basis of the provisions of the Enterprise Law and the Corporation's Charter, in 2022, the BOS performed a number of main tasks as follows:

- + Monitoring and supervising the observance of regulations on petrol and oil trading;
- + Monitoring and supervising investment, procurement and asset management;
- + Monitoring financial work and capital management; financial investment outside the enterprise;
- + Supervising the observance of the Charter and resolutions of the AGM, the implementation of regulations, resolutions, decisions and directives of superior management agencies;

- + Checking the reasonableness, legality, honesty and carefulness in the management and administration of business activities;
- + Supervising the implementation of recommendations in the minutes of inspection and audit teams;
- + Appraising the completeness, legitimacy and truthfulness of the Corporation's quarterly/annual financial statements; systematicity, consistency and appropriateness of accounting, statistical and financial reporting and other tasks and tasks of inspection and supervision as planned;
- + Other inspection and supervision tasks as prescribed.

Monitoring is carried out through the daily review of documents on the Bio document management system, periodic and extraordinary reports of the Corporation and its member units; through information provided by functional departments; inspection and audit results of state management agencies and superiors.

In 2022, in addition to performing the tasks according to the plan approved by the AGM, quarterly the BOS reports to major shareholders on the inspection, supervision and appraisal of financial statements.

In 2022, the BOS participated in the meetings of BOM and other meetings of the Corporation when receiving the invitation to attend.

In monitoring reports, appraisal reports, internal dispatches and meetings of the Corporation, the BOS had independent opinions on the handling of a number of issues in the process of production, business, investment and finance at the Holding Company - the Corporation and some member units.

Through regular, continuous and systematic inspection and supervision, in direct and indirect forms; after discussing and clarifying, BOS had some advices, warnings or recommendations for some shortcomings in the management and administration at the Corporation.

During its operation, the BOS is always loyal to the interests of the Corporation and its shareholders; do not use information, secret, business opportunities of the Corporation and work advantages for personal gain or to serve the interests of other organizations and individuals.

2. Performance results of each supervisor

2.1. Mr. Nguyen Duc Ken - Head of BOS

- Has fully performed the responsibilities and duties of inspecting and supervising the management and administration at the Corporation in accordance with regulations. Regularly learning, exchanging and giving opinions on professional fields, promoting the ability of each supervisor so that the BOS can successfully complete its tasks;
- Organizing the implementation of the operation plan approved by the AGM for 2022; organizing the formulation of program and plan of activities of the BOS in 2023;

- Urging functional departments to provide relevant information to the BOS; Organizing discussions with leaders of the Corporation and relating departments about solutions to handle and overcome shortcomings; Exchanging and synthesizing opinions and recommendations of the supervisors; Directly giving recommendations in some necessary cases;

- Periodically organizing and issuing reports on inspection and supervision results; Reports on appraisal of quarterly/annual financial statements and other general, appraisal and evaluation reports at the request of major shareholders, directly synthesizing and making reports to major shareholders. Directly giving a number of assessments, comments and recommendations in a number of specific control areas such as petroleum trading, crude oil export and sale, capital contribution / divestment in other enterprises, etc. Organizing discussions and consulting BOM and BOD before sending to major shareholders; Reports and recommendations have been sent to the Corporation and shareholders;

- Convened and chaired 02 meetings of BOS; Attended meetings of the BOM and other important meetings of the Corporation;

- Perform other tasks as assigned by the Head of BOS.

2.2. Self-assessment of the performance of Ms. Tran Thi Phuong - Supervisor

- Requested departments to provide information, data and documents related to the assigned field; exchanging with leaders and functional departments about the work, opinions and recommendations related to the field directly in charge of monitoring and supervision;

- Prepared periodical reports on results of inspection and supervision, reports on appraisal of financial statements. In addition to making periodic reports and during the operation supervision, there were evaluation documents on a number of areas and comments were sent to the Head of BOS so that the Head of the Board could give comments to the Chairman of BOM and the CEO of the Corporation. The main recommendations on work contents include: (i) strengthened debt management and collection of outstanding debts at the Holding Company and units with dominant capital contribution; (ii) money management, balance/selection banks to deposit/borrowing; (iii) cost management (business administration, sales, financial expenses); (iv) commodity lending activities; (v) provided information about transactions with Affiliated Persons and a number of other matters. The reports of the Supervisors are recorded in the official dispatch book to reserve and record opinions, then send to the Head of BOS for synthesis and general reporting;

- Drafted the following documents: Reported on performance evaluation of the BOS; The report on selection of an independent audit unit; Reported on annual inspection and supervision results and operation plan of BOS; Other work contents in the field of responsibility.

- Fully participated in meetings of BOS, meetings of BOM and other meetings of the Corporation when invited;

- Performed other tasks at the request of major shareholders.

2.3. Self-assessment of the performance of Mr. Pham Thanh Son - Supervisor

Actively implemented and made reports on investment in capital construction, investment in procurement, and management of goods - assets; national reserve petroleum goods; economic - technical norms and wastage; fuel transportation costs; fuel transportation costs; labor and salary and the implementation of resolutions, decisions, regulations and internal regulations.

- Quarterly, the Corporation's reports in the assigned field have been appraised to the Head of the BOS, including: Appraisal reports quarterly, semi-annual and annual financial supervision reports of the Corporation, Appraisal report quarterly, semi-annual and annual financial statements of the Holding Company and consolidating the Corporation according to the work monitored and given specific comments in the reports.

- The reports of the Supervisors sent to the Head of BOS are recorded in the official dispatch book for preservation and recording of the contents, then sent to the Head of BOS for synthesis and general reporting.

- Participated in 02 meetings of BOS and meetings of BOM, attend regular, thematic meetings and meetings on monitoring the performance of the Corporation's BOM for its subsidiaries (PVOIL Saigon, PVOIL Trans, PVOIL Dinh Vu, PVOIL Lube, PVOIL Phu My, PVOIL Mien Dong...), meetings of BOD on assigning plans to subsidiaries (PVOIL Central, PVOIL Binh Thuan, Petro Mekong, PVOIL Phu Tho, PVOIL Thanh Hoa, PVOIL Phu Yen) and other meetings of Corporation's BOD when assigned;

- Drafted Report on remuneration, operating costs and other benefits of BOS.

II. SUMMARY OF MEETINGS OF BOS AND CONCLUSIONS AND RECOMMENDATIONS OF BOS

1. Summary of meetings of BOS

During the year, BOS held 02 recorded minutes meetings, specifically as follows:

- **First meeting:** November 14, 2022

- + Members attended: 03/03 BOS members

- + Contents: Reviewing and commenting on the draft "Report on performance in 2022, operation plan in 2023 and the performance of assigned duties and responsibilities of BOS". Accordingly, 03/03 members agreed and unanimously submitted to all levels for promulgation.

- **Second time:** November 22, 2022

- + Members attended: 03/03 BOS member

- + Contents: The Head of BOS transferred the supervisors to consider and comment on the draft 'Appraisal report Financial statement for the first 9 months of 2022 Holding company and consolidation PVOIL' to be submitted to major shareholders.

In addition to the two meetings mentioned above, during the inspection and supervision and making periodic reports, The Head of BOS and each supervisor regularly

exchanged and identified important contents that need to be focused on learning, exchanging and evaluating; the head of BOS and each supervisor have clarified the contents of the evaluation or recommendation by the supervisors.

2. Summary of conclusions and recommendations of BOS

In 2022, on the basis of information and data received from the Corporation, BOS had reviewed, analyzed, evaluated and contributed to improve the corporate governance, business efficiency and capital preservation of the Corporation. BOS had a number of comments and recommendations sent to BOM and BOD on issues such as: cash management, public debt receivable, oil and gas business operations, loss management, considering promulgating, supplementing and adjusting some contents of internal regulations/regulations, operational cost management, restructuring of member units, cooperation with partners, business situation of member units, inventory management, investment – shopping, providing information and documents to BOS, etc. The recommendations of BOS were reported to major shareholders in periodic reports, and at the same time sent to BOM and BOD of the Corporation for coordination. In some cases, BOS recommends the Corporation by sending internal documents or via email.

The BOS found that a number of its recommendations had been handled and overcome by the Corporation. The Corporation has continued to direct its member units to strengthen the management of receivables from customers and ensure safety in sales; continuing to make deposits at credit institutions with terms of 6 and 12 months; reviewed and evaluated the member units and continued to supervise the finance, especially 06 units (decreased by 02 units compared to 2021); approved transactions with affiliated persons and disclosed information on transactions with affiliated person, etc.

III. SALARY, REMUNERATION, OPERATIONAL COSTS AND OTHER BENEFITS OF BOS AND PER SUPERVISORS

1. Salary and remuneration of BOS

The salary, bonus and remuneration of BOS are formulated by the Corporation according to the principles specified in Decree 53/2016/ND-CP dated June 13, 2016, Circular 28/2016/TT-BLDTBXH dated September 1, 2016 and Regulation on salary - bonus - remuneration for Managers in Decision No. 127/QĐ-DVN dated February 10, 2020.

The salary situation in 2022 of BOS is as follows:

Unit: Million dong

No.	Position	Average no. of people		2022 Plan	2022 Actual
		Plan	Actual		
1	Board of Supervisory (specialized)	3	3	2.620	3.144
	Summary	3	3	2.620	3.144

2. Operational costs and other benefits of BOS

During the year, the BOS used the office, utilities, equipment, tools, stationery and other expenses according to the norms applied in the internal regulations of the Corporations. The expenses are recorded and accounted into the expenses of production and business activities of the Corporation in accordance with regulations.

IV. BUSINESS RESULTS, SUPERVISION OF THE OPERATION AND FINANCIAL SITUATION OF THE CORPORATION

1. Business results of the Corporation in 2022

Despite being heavily affected by adverse oil price movements in the last 6 months of the year, the Corporation has made great efforts to implement production and business activities and has achieved impressive results, specifically as follows:

- Safely and effectively exporting/selling the entire volume of crude oil/condensate of the Group, including selling to Dung Quat Oil Refinery, the total output as an export/selling agent for crude oil reached **8.64 million tons**; During the year, the Corporation also safely imported **1.762 million tons** of crude oil, fully meeting the needs of BSR.

- Maintaining stable market share, ensuring continuous supply of petroleum to the market even when many new customers buy from PVOIL because some private traders do not sell, ensuring stable distribution system, promoting petroleum trading activities, focussing on increasing the proportion of sales in direct consumption channels; Petroleum trading output of the Corporation reached **4.048 million m³/ton**, of which domestic consumption was **3.77 million m³/ton** with the retail proportion reaching **26.1%**;

- Production of petrol, oil and grease reached **601 thousand m³/ton**, of which mainly E5Ron 92 gasoline reached **598 thousand m³**;

- The holding company's revenue/income in the 2022 operating period reached **73.742 billion VND**, the holding company's pre-tax profit was **657 billion VND**, the holding company's profit after tax was **555 billion VND**;

- For the first time, the Corporation's total consolidated revenue exceeded **100 trillion VND**, specifically in 2022, it reached **104,833 billion VND**, consolidated profit before tax was **912 billion VND**, and consolidated profit after tax was **723 billion VND**.

2. Results of monitoring of operations and financial situation in 2022

In 2022, with the best efforts to implement the operation plan assigned by AGM, The BOS has maintained regular and continuous inspection of the reasonableness, legality, honesty and level of caution in business management and administration; considered the completeness and truthfulness of the Corporation's business reports as well as the performance results of BOM and the CEO. Performance monitoring results are periodically reported by the BOS to major shareholders.

Regarding the supervision of financial activities, quarterly the BOS monitors, inspects and reports to major shareholders.

In 2022, PVOIL exceeded the production and business plan targets assigned by the AGM in Resolution No. 12/NQ-ĐHĐCD dated April 28, 2022. The consolidated revenue target exceeded the plan by 133%, holding company's revenue exceeded 173% of the plan and the target of consolidated profit after tax exceeded 82% of the plan, Profit after tax of the holding company exceeded 73% of the plan.

The situation of financial indicators in 2022 is as follows: Consolidated liability ratio = 1.6 times and Holding company = 1.4 times, less than 3 (< 3) according to industry index, so it is within safe limit. Consolidated current solvency = 1.3 times > 1 and Holding company = 1.4 times > 1 , so PVOIL ensures solvency; ROE Holding company = 5.1%; ROA Holding company = 2.2%; ROS Holding company = 0.7%.

V. ASSESSMENT RESULTS OF THE CORPORATION'S REPORTS

1. Results of appraisal of CEO's report on production and business situation

The BOS has reviewed and appraised the information and data presented in the report on production and business performance of the Corporation's CEO and considered that the CEO's report has reasonably reflected the business situation of the Corporation in 2022.

2. Results of appraisal of the management evaluation report of BOM

The BOS has reviewed and appraised the report on assessment of the management of the Corporation's BOM and believed that the report is prepared in accordance with the provisions of the Enterprise Law, the Securities Law, the Charter of the Corporation and reasonably reflect the performance of the BOM. The BOS agreed with the contents of the report.

3. Results of appraisal of financial statements for the first 6 months of 2022 and the whole year of 2022

Based on the separate and consolidated financial statements for the operating period from January 1, 2022 to December 31, 2022 issued by the Corporation on January 30, 2023, the BOS found that:

+ **Cash management:** At the Holding Company, money is generated on current accounts, term deposits and bank loans to finance working capital and investment activities; in the year the term deposits of credit institutions increased by **11,769.53 billion VND**, decreased by **10,879.53 billion VND**, corresponding to the interest received was **381 billion VND** (excluding branches), deposits arising in 2022 are mainly 12-month terms; As of December 31, 2022, the cash balance on current accounts is **2,059.13 billion VND** and the balance of term deposits is **8,924.35 billion VND**. The Holding Company and other units that have deposits at Oceanbank are restricted from transactions arising before 2017.

+ **Receivables management:** At the Holding Company: selling goods to the subsidiary in the form of unsecured credit with a limit equal to the sales volume, a penalty for late payment has been calculated for amounts owed by the debtor in excess of the limit and a bonus for early payment. The outstanding balance of bad debts at the Holding Company as of December 31, 2022 is **47.82 billion VND**, equivalent to the beginning of

the year, all arising from before the time the Corporation switched to operate under the model of JSC, the Holding company has made provision for 100% of the total bad debts.

At the subsidiaries, at the end of the year, bad debts **decreased by 24.3 billion VND and increased by 43.4 billion VND** compared to the beginning of the year, bad debts increased mainly in Petromekong (up **17.9 billion VND**), PVOIL Laos Trading (up **15.4 billion VND**), PVOIL Thanh Hoa (up **4.9 billion VND**). There are some shortcomings in the management of receivables. Total bad debt balance at the units as of December 31, 2022 is **818.8 billion VND**, mainly arising at Petec (accounting for 82.8%) from before 2017. Provision has been made for 99.2% of bad debts.

+ ***Liabilities to be paid:*** Payables mainly related to crude oil collected on behalf of **3,743.5 billion VND**, purchase of oil products of BSR **4,428.1 billion VND** and PVNDB **2,720 billion VND**. During the year, the Holding Company made short-term loans in VND and USD to finance working capital for production, business and investment activities, the total value of short-term loans in 2022 increased by **16,995.7 billion VND**, decreased by **18,867.5 billion VND**, corresponding to the paid short-term financial expense of **155.5 billion VND**, short-term loan balance as of December 31, 2022 is **2,307.4 billion VND**. During the year, the holding company did not increase long-term loans, the balance of long-term loans as of December 31, 2022 was **9.46 billion VND**.

+ ***Merchandise management:*** During the year, the holding company stored **3,990,979 thousand m³ 15°C** of petroleum of all kinds, worth **78,521.31 billion VND** and exported **3,793,034 thousand m³ 15°C**, worth **76,834.76 billion VND**.

Actual loss of goods at the holding company in 2022 is **4,110 m³**, equal to 60.96% of the norm within the prescribed norm. The inventory of the holding company at the end of 2022 is valued at **2,027.01 billion VND**. In the whole system, the value of petroleum goods at the end of the year was **2,961.53 billion VND**.

+ ***Property investment and purchase:*** In 2022, the Corporation developed 54 new petrol stations, bringing the total number of petrol stations operating in the whole system to 655 petrol stations.

+ Investment value made at the holding company in 2022 is **68.73 billion VND**, accumulated as of December 31, 2022 is **71.86 billion VND**, which was completed and put into operation during the year was **60.63 billion VND**. The value of construction in progress at the holding company as of December 31, 2022 is **14.14 billion VND**, in the whole system is **116.38 billion VND**.

+ The value of fixed assets as of December 31, 2022 of the holding company is **1,235.99 billion VND**, of which tangible fixed assets are **756.09 billion VND**, the value of intangible fixed assets is **495.59 billion VND**, of which the value of land use rights is **459.98 billion VND**; In the whole system, the remaining value of fixed assets is **3,651.45 billion VND**, of which the value of land use rights is **1,602.31 billion VND**.

+ ***Labor and salary:*** In 2022, the Corporation has implemented labor, salary and policies for employees in accordance with current legal regulations, collective labor

agreement and internal regulations on salary, allowance, remuneration, bonus for employees and managers.

The total salary fund implemented in 2022 is **281.37 billion VND**, of which the Employee is **263.88 billion VND** and the Manager's is **17.49 billion VND**.

+ ***Financial investment outside the enterprise:*** The total value of investment capital out of the enterprise as of December 31, 2022 is **4,393.30 billion VND**, accounting for 42.48% of Charter Capital, an increase of **13.71 billion VND** compared to the beginning of the year, of which, an increase of **23.46 billion VND** due to PVOIL's acquisition of other shareholders' shares in PVOIL Trans, PVOIL Bac Lieu, PVOIL Tra Vinh to increase capital ownership to 100% and convert into one-member Ltd. Co. and reduce by **9.75 billion VND** due to divestment in Indochina Petroleum Transportation JSC according to the restructuring schedule. The holding company has made provision for financial investment in the amount of **581.57 billion VND**, accounting for **13.24%** of the invested capital.

+ ***Management of operating expenses:*** In 2022, business output increased by 28% and oil price increased by 43% over the same period, leading to an increase in the price of goods and services, which affected the value of related expenses such as: labor costs, office costs, outsourced services and other costs. In addition, deductions increased with revenue such as risk reserve fund, compensation for environmental damage; some expenses increased because the previous year was affected by the Covid-19 epidemic, social distancing had not been implemented. Total operating expenses of the holding company increased by **468.8 billion VND**, equivalent to an increase of 40%, of which: administrative expenses increased by **108.26 billion VND**, equivalent to an increase of 43%; selling expenses increased by **254.26 billion VND**, equivalent to an increase of 34.6%; financial expenses increased by **105.1 billion VND**, equivalent to 60.5% increase (of which interest expenses increased by 35%, equivalent to 40.24 billion VND) and other expenses increased by 9.6% compared to 2021. In 2022, PVOIL Phu My continued to incur interest expenses on deferred payment; some expense items are continuing to perfect internal regulations to strengthen management.

+ ***Regarding the business performance of enterprises with capital contributed by the Holding Company:*** In 2022, there were 26/26 companies with dominant capital contribution with a profit of **221.4 billion VND**. There were 07/26 companies with controlling capital and accumulated losses; During the year, the Corporation reviewed and continued to monitor the special financial status of 06 units.

+ ***Owner's capital preservation:*** In 2022, the holding company's business result is 555.35 billion VND, the equity at the end of the year is higher than at the beginning of the year and higher than the charter capital (equal to 1.04 times), so the equity is preserved.

Based on the comments on a number of areas as above, the BOS considers that:

- The financial statements for the year ended December 31, 2022 gave a reasonable view of the financial position as well as the results of business activities of the Corporation. The preparation and presentation of the financial statements were in accordance with the provisions of the Enterprise Accounting Standards and Regulations.

- The Corporation has prepared and submitted financial statements according to the State's regulations; Reported and disclosed information periodically to the State Securities Commission and the Stock Exchange according to the prescribed time limit.

The BOS agreed with the separate financial statements, the consolidated financial statements for the period ended December 31, 2022 of the Corporation and will be adjusted, emphasized, except (if any) in the opinion of the independent auditor.

For the separate and consolidated financial statements of the Holding Company and the Corporation for the period from January 1, 2022 to June 30, 2022, which have been reviewed by Auditor Deloitte Vietnam, the BOS has also appraised and agreed with the contents presented in this report. The preparation and presentation of the financial statements are in accordance with the provisions of the Enterprise Accounting Standards and Regulations.

VI. ASSESSMENT REPORT ON TRANSACTIONS BETWEEN PVOIL COMPANY, SUBSIDIARIES AND MEMBERS OF THE BOM, CEO OTHER EXECUTIVE PERSONS OF PVOIL COMPANY AND THESE AFFILIATED PERSONS; TRANSACTIONS BETWEEN PVOIL AND COMPANIES IN WHICH THE MEMBERS OF BOM, CEO, OTHER EXECUTIVE MANAGERS OF PVOIL IS A FOUNDATION MEMBER OR BUSINESS MANAGER IN THE LAST 3 YEARS BEFORE THE TRANSACTION DATE.

1. Report on the evaluation of Transactions between Holding Company, Subsidiaries and Members of BOM, CEO, other Executives of Holding Company PVOIL and affiliated persons

On May 30, 2022, the Corporation issued Document No. 3367/DVN-KH and on July 11, 2022 by Document 4431/DVN-KH, PVOIL proposed to the members of BOM, BOD, BOS, PVOIL's Head Accountant, person in charge of administration of the holding company, BOM's assistant, departments/offices of the Holding Company and some member units (PVOIL Saigon, PVOIL Phu Yen, PVOIL Vung Ang, PVOIL Laos, PETEC, Petromekong) announced information about contracts and transactions between PVOIL and internal, affiliated people.

According to the Corporation's 2022 report, there were no transactions between Holding Company PVOIL, subsidiaries, companies controlled by PVOIL with individuals who are members of BOM, CEO, other Executives of the Holding Company PVOIL and affiliated persons who are individuals of such subjects. In addition, BOS did not receive any further relevant information.

On March 18, 2022, the Corporation issued Joint Resolution No. 18/NLLT-DVN on strengthening supervision and control of interests in the Corporation's operations. To implement the above Resolution, based on the report of BOD, on October 13, 2022 the PVOIL's BOM issued Resolution No. 73/NQ-DVN, according to which:

+ *Petrol trading and leasing transactions of other goods and services*: Currently, according to the operation model of the Corporation, the Holding Company is responsible for ensuring and providing petroleum sources for the subsidiaries for distribution in the

assigned area. Therefore, between the Corporation and its subsidiaries, there is a petroleum purchase and sale contract. In addition, the holding company PVOIL also hired a number of subsidiaries to perform dispensing services, lease warehouses and provided warehouse services, leased petrol stations, cooperated in brand promotion, etc. In Resolution No. 73/NQ-DVN On October 13, 2022, the Corporation's BOM approved the transaction contracts between PVOIL and its subsidiaries and Comeco, in which there are some cases where the manager of PVOIL (member of BOM, Vice President of PVOIL/Director of division) is concurrently the Chairman of the BOM at the unit.

+ *Transactions between PVOIL Holding Company and HDBank where a member of the BOM is concurrently PVOIL and HDBank's Vice President:* In 2022, the holding company made term deposits at HDBank, increasing by **1,100 billion VND** and decreasing by **800 billion VND**. As of December 31, 2022, the holding company has a 12-month term deposit balance of **800 billion VND**, interest rates from 4.95%-9%. In addition, the holding company generated deposits at current accounts, providing payment services in VND and USD with an average transaction value of **12,600 billion VND**.

For term deposits, PVOIL's BOM approved the plan and the term deposit limit for 2022 in Resolution No. 104/NQ-DVN dated December 20, 2021. For credit transactions with HDBank, The PVOIL's BOM approved in Resolution No. 73/NQ-DVN dated October 13, 2022 with a transaction value of less than 35% of the total asset value on the most recent financial statement of the Corporation.

+ On January 31, 2023, the CEO of PVOIL issued a report No. 773/DVN-KH reporting to the BOM of PVOIL on the implementation of these contracts. Accordingly, the scope of work and transaction value are within the approved limits.

2. Report on Transactions between PVOIL and Companies in which the Members of BOM, CEO, other Executive Managers of PVOIL is a Foundation Member or Business Manager in the last 3 years before the transaction date.

+ In the Resolution No. 73/NQ-DVN dated October 13, 2022, PVOIL's BOM has approved the contract and transaction between PVOIL and PVTrans on providing transportation services of petroleum, additives, ethanol and other goods/products from Quang Quat Oil Refinery and Nghi Son Oil Refinery to PVOIL's upstream warehouses. PVTrans is a company in which the CEO of PVOIL is the business manager (Chairman of the BOM) during the last 3 years before the transaction date.

Regarding the transaction of petroleum transportation services from 2 refineries to PVOIL's upstream depots in 2023. On February 15, 2023, the BOM of PVOIL issued Resolution No. 008/NQ-DVN to approve this transaction.

VII. SUPERVISION RESULTS FOR ACTIVITIES OF BOM, CEO AND OTHER EXECUTERS OF THE CORPORATION

The management and operation of production and business activities of BOM, BOD of the Corporation complied with the provisions of the Enterprise Law, the Corporation's Charter, the Resolution of the AGM and the provisions of law. In 2022, the results of supervision of the management and administration of BOM and CEO are as follows:

1. The activities of BOM

- The BOM has implemented the contents approved by the AGM, ensuring regular and continuous production and business activities of the Corporation. In 2022, The BOM conducted many meetings in which 06 meetings were recorded in minutes, issued 90 resolutions to manage/direct the activities of the Corporation in all fields: including 33 resolutions on organization - personnel - labor - salary; 33 resolutions on the meetings of the Board of Managements/Board of Directors/Annual/Extraordinary General Meeting of Shareholders; 12 resolutions related to production, business and investment; 09 resolutions related to capital investment - divestment - restructuring and 02 resolutions related to financial work.

- The BOM has been active and determined to handle investment projects and long-standing difficulties (Condensate Cambodia project, PVOIL Phu My, PVOIL Phu Tho, biofuel projects, 2.8 hectares of land in Cai Mep Industrial Park transferred to PVGAS...), actively implemented the restructuring project, arranged organization 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, PVOIL Tra Vinh into one-member Ltd. Co., the conversion of PVOIL Thanh Hoa was also gradually being completed. Actively implemented the divestment of investment capital in enterprises under the restructuring project and in 2022 completed the divestment of all capital at Indochina Petroleum Transport JSC (PVTrans-PTT).

- The BOM has implemented its responsibilities and duties as prescribed in the Law on Enterprises and the Corporation's Charter; promptly monitoring, supervising and directing the BOD to implement the resolutions and decisions of the AGM and of BOM.

- The BOM regularly organized meetings to clarify the recommendations of the BOD to make appropriate resolutions and decisions. The BOM worked with a sense of responsibility, held meetings and collected written opinions to make decisions.

- The BOM regularly supported and created favorable conditions for the BOS to perform its duties and responsibilities.

2. Activities of the CEO and the BOD

- The CEO regularly directed functional departments/subsidiaries and member units to implement the contents in accordance with internal management regulations, The Charter of the Corporation, Resolutions/Decisions of BOM, AGM and relevant laws.

- The CEO actively sought solutions to overcome difficulties in production, business and investment at the Corporation and at each unit. The CEO focused on promoting the search for opportunities for business cooperation; cooperation in processing Ron91 base gasoline from condensate with PVGas has been effective;

- In 2022, the world oil market in general and the domestic petroleum market in particular have an "abnormal" situation, which has never happened before due to the influence of the Russia-Ukraine conflict and China's Zero Covid policy. Domestically, the market's gasoline demand has recovered strongly after the Covid-19 epidemic. However, the State's mechanism to regulate petrol prices is not suitable when the world market

fluctuates greatly, leading to many focal points restricting sales, and closing/stop working petrol stations in many localities. Therefore, customers/consumers have switched to PVOIL's system to purchase goods, putting great pressure on the work of ensuring the supply of goods. However, with the best management efforts, PVOIL's business results were still very impressive, the holding company's profit was 657 billion VND and the consolidated profit was 912 billion VND, far exceeding the plan.

- The CEO has focused on promoting investment in petrol stations to develop and expand the retail system. In 2022, the whole system developed 54 petrol stations, bringing the total number of operating petrol stations to 655. The CEO has invested and purchased additional equipment for the warehouses to meet business requirements; continued to promote the application of information technology, automation, digital transformation and ERP into the business field. Deployed business cooperation to develop a system of charging stations for electric vehicles with Vinfast at petrol stations of PVOIL/ PVOIL member units. On July 4, 2022, PVOIL and Vinfast inaugurated the first electric vehicle charging station at PVOIL's petrol station in Cat Hai district, Hai Phong. In particular, the PVOIL Nghi Son warehouse has been piped to the Nghi Son Refinery and Petrochemicals Plant and has been in operation since July 2021, helping to ensure the supply of goods for Thanh Hoa province and surrounding areas.

- The CEO actively directed to review and report to BOM to handle backlog investment projects, implement restructuring projects, and reorganize member units.

- The CEO regularly supported and created conditions for the BOS to perform its responsibilities and tasks.

VIII. RESULTS OF ASSESSMENT OF OPERATION COOPERATION BETWEEN BOS AND BOM, CEO AND SHAREHOLDERS

The BOS has closely coordinated with BOM and BOD in performing the assigned functions and tasks. Regularly discussing with relevant departments to learn and clarifying the necessary contents before giving official warnings and recommendations. The supervision reports, appraisal reports of periodical financial statements and other reports of BOS have all been consulted by BOM and the CEO before being officially submitted. The BOM and BOD created favorable conditions for the BOS to perform its duties.

In addition to inviting the BOS to attend official meetings, the members of BOM and BOD also regularly discussed difficulties and problems to find solutions to handle carefully, reasonably and legally for the Corporation. The Internal Audit Committee and the Secretary of the BOM cooperated closely with BOS in providing information and documents related to decision making and internal audit.

The CEO regularly invites BOS to attend monthly briefings, meetings to handle important affairs of the Corporation; regularly discusses difficulties and problems and has solutions to handle carefully, rationally and legally for the Corporation.

The BOS regularly and strictly implements the operation plan when approved by the AGM; complies with regulations, periodic or unexpected requests of major shareholders; always readies to carry out inspection and report on matters when requested by shareholders

or groups of shareholders according to the provisions of Clause 2, Article 114 of the Law on Enterprises. At the AGM, all members of BOS attended, fully reported on the contents as prescribed and always make comments, evaluations and recommendations to AGM in order to continuously improve the governance, inspection and supervision at the Corporation.

IX. RECOMMENDATIONS

Based on the results of inspection and supervision in 2022, the BOS of PVOIL has a number of opinions and recommendations for the Corporation as follows:

1. Continuing to strengthen management and debt collection, regularly monitoring and evaluating customers and their financial situation to make appropriate decisions. Continuing to implement safe solutions for the holding company and its subsidiaries for unsecured debt customers, cash advances to suppliers; continuing to maintain the work of urging debt recovery, ensuring that no loss of money occurs and no new bad debts arise; continuing to implement solutions to handle, recover all, and terminate the long-standing and difficult-to-recover outstanding debts that have arisen in the past.

2. Continuing to strengthen cost control, ensuring the right purpose, right object, economical, reasonable and valid, especially expenses not directly related to production and business, etc. Continuing to maintain forms of procurement/rental services through competitive offers, open bidding, minimizing appointment of contractors or direct procurement.

3. Improving the quality of revenue and expenditure forecasting when balancing the holding company's cash flows properly. Maintaining on the current account to ensure that the regular payment needs are met. Organizing the selection of a term deposit bank / working capital loan on the basis of the Corporation's official request and the official interest rate offers of the banks signed and approved by the competent person. Regularly updating solvency, evaluating and ranking banks to avoid the risk of bank illiquidity, including when signing new/renewing term deposit contracts and depositing money into current accounts.

4. Continuing to direct the handling of shortcomings/recommendations in the audit reports/conclusions of the State Audit, inspection teams and the previous BOS.

PART II

OPERATION PLAN IN 2023 OF THE BOS

Carrying out the functions and duties of BOS in accordance with the provisions of the Enterprise Law and the Corporation's Charter, the BOS develops the operation plan in 2023 as follows:

- Inspecting/monitoring the implementation and compliance with the Charter of the unit, the Enterprise Law, and the State law; the implementation and compliance with regulations, resolutions, decisions and directives of major shareholders related to the unit operations of the Representative of the major shareholder capital, BOM and the CEO.

- Inspecting/supervising and evaluating the implementation of the Resolution of AGM in 2023; financial situation, capital balance and cash flow management, operational efficiency and debt solvency, capital management and use; capital preservation and development; the implementation of the quarterly production and business plan; inspecting/supervising the implementation, progress and efficiency of investment projects.

- Coordinating with State authorities, inspection teams and internal audit of major shareholders and units in inspecting and supervising the management, production and business activities at the unit.

- Coordinating with the Representative of the shareholder's capital in the management of the capital in the Corporation and the capital the Corporation invests in other enterprises.

- Reviewing contracts and transactions with affiliated persons under the approval authority of BOM or AGM and making recommendations on contracts and transactions that require approval from BOM or AGM; supervising enterprises on the disclosure of information about affiliated persons and transactions with affiliated persons.

- Preparing report on activities in 2022 and operation plan in 2023 of BOS, submit it to the AGM for approval and organizing the implementation.

- Submitting to the Annual General Meeting of Shareholders (AGM) and major shareholders the following reports: Appraisal of financial statements in 2022, Appraisal reports on annual production and business activities and Report on assessment of management in 2022 of the unit's BOM.

- Checking the reasonableness, legality, honesty and carefulness in the management and administration of business activities; systematicity, consistency and appropriateness of accounting, statistical and financial reporting.

- Reviewing accounting books, accounting records and other documents of the company, the management and operation of the unit when deeming it necessary.

- Inspecting/supervising the implementation of corporate restructuring and renewal according to approved decisions/directives/resolutions.

- Reviewing, examining and evaluating the effectiveness and efficiency of the entity's internal control, internal audit, risk management and early warning systems; making recommendations and proposals to improve and improving the operational efficiency of the internal control system.

- Performing appraisal of semi-annual/yearly financial statements.
- Appraisal of salary fund implemented in 2022 of employees and unit managers.
- Inspecting/supervising the implementation and handling of recommendations of inspection teams of state agencies, competent functions at the unit.
- Preparing quarterly supervision reports according to the Regulations of major shareholders and other reports as required.
- Preparing a 2024 operation plan and submitting it to major shareholders for approval.
- Supervising year-end asset inventory activities at the unit.
- Supervising the development and delivery of the unit's 2024 production and business plan.
- Coordinating with the Corporation and the representative of the capital share, the supervising representative of PVOIL in the enterprises with capital contribution to inspect/supervise the situation of production and business activities and the preservation of capital at affiliated units and subsidiaries with the contributed capital in an indirect way.

In case of necessity, the BOS will organize or coordinate with the Corporation to conduct direct inspection at the units.

- Performing other tasks as required by AGM, group of shareholders and current regulations, propose AGM to choose an independent auditing company, etc.

The Report of BOS of Vietnam Oil Corporation – JSC above would like to submit to the AGM for consideration and approval.

Best regards.

**ON BEHALF OF
THE BOARD OF SUPERVISORY
THE HEAD OF THE BOARD**

Nguyen Duc Ken