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REPORT
ON RESULTS OF OPERATION IN 2020 AND
OPERATION PLAN FOR 2021 OF THE BOARD OF SUPERVISORS

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

Pursuant to the Law on Enterprises No. 59/2020/QH14 dated June 17, 2020 of the National Assembly;

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

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

Pursuant to Circular No. 96/2020/TT-BTC dated November 16, 2020 of Ministry of Finance providing guidelines on disclosure of information on the securities market;

Pursuant to Charter on Organization and Operation of PetroVietnam Oil Corporation - JSC issued with the Resolution of the General Meeting of Shareholders No. 01/NQ-DHĐCĐ dated July 30, 2018;

The Board of Supervisors of PetroVietnam Oil Corporation - JSC respectfully report to the General Meeting of Shareholders the operation status in 2020 and operation plan for 2021 as follows:

PART I

2020 OPERATION REPORT OF THE BOARD OF SUPERVISORS

I. SELF-ASSESSMENT REPORT ON RESULTS OF OPERATION OF THE BOARD OF SUPERVISORS AND EACH SUPERVISOR

1. Results of operation of the Board of Supervisors

Based on provisions of the Law on Enterprises and the Corporate Charter, in 2020 the Board of Supervisors performed some major tasks as follows:

+ Monitoring and supervising the compliance with regulations on petroleum trading;

+ Monitoring and supervising the investment, procurement and management of fixed assets and petroleum products;

+ Monitoring financial affairs and capital management; external financial investment;

+ Supervising the compliance with the Charter and resolutions of the General Meeting of Shareholders, the implementation of regulations, resolutions, decisions and directives of higher management;

+ Inspecting the reasonableness, legality, truthfulness and prudence in the management and administration of business operation; the systematicity, consistency and conformity of accounting, statistical work and preparation of financial statements;

+ Supervising the implementation of recommendations in the Minutes of inspection teams and auditors;

+ Appraising the completeness, legality and truthfulness of the Corporation's quarterly/annual financial statements and other inspection and supervision tasks as planned;

+ Other inspection and supervision tasks in accordance with regulations.

Supervision is conducted through the review of daily documents on the Bio document management system, regular and irregular reports of the Corporation and subsidiaries; through information provided by operational departments; inspection and audit results of state management agencies and higher management.

In 2020, in addition to performing the tasks in the plan approved by the General Meeting of Shareholders, the Board of Supervisors quarterly reported to the major shareholder on the inspection, monitoring and appraisal of financial statements.

In 2020, the Board of Supervisors participated in 09/12 meetings of the Board of Management and other meetings of the Corporation upon receipt of invitation.

In the above-mentioned supervision reports and appraisal reports, in internal letters and at meetings of the Corporation, the Board of Supervisors provided independent opinions on handling some matters in business, investment, finance, mentioned outstanding issues at the Holding Company - Corporation and some subsidiaries.

Regarding the petroleum trading operation, since the received information did not meet the requirements of the Board of Supervisors, the evaluation and supervision of this operation was limited.

Regarding detailed business performance by each business line and each product, since Q2/2020 the Board of Supervisors received no information, thus we have not made any comments, evaluation or recommendations regarding the improvement of business efficiency in each business line, including the core business line of petroleum trading.

However, through regular, continuous and systematic inspection and supervision, both directly and indirectly, though still limited but the Board of Supervisors were basically informed of the business and financial operations of the Corporation and subsidiaries.

With a degree of prudence, upon discussion and clarification, the Board of Supervisors also provided a number of advice, warnings and recommendations regarding outstanding issues in the management and administration at the Corporation.

During its operation, the Board of Supervisors have always been faithful to the interests of the Corporation and its shareholders; have not used information, know-hows, business opportunities of the Corporation and position advantages for self-interest or for the benefit of other organizations or individuals.

2. Results of operation of each Supervisor

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

- Performing the responsibilities, duties of inspecting and supervising the management and administration at the Corporation according to regulations. Regularly researching, exchanging and commenting in the professional aspects, promoting each Supervisors' capabilities so the Board of Supervisors may fulfill its responsibilities;

- Organizing the implementation of the operation plan approved by the General Meeting of Shareholders for 2020; organizing the preparation and completion of operation plan of the Board for 2021. Expediting the Supervisors to exercise their duties and authorities to complete the tasks in the assigned areas, ensuring implementation of the plan as approved by the shareholders. Exchanging and summarizing the opinions and recommendations of the Supervisors, promptly exchanging with the management of the Corporation and related departments on solutions to handle and overcome outstanding issues and other related matters; Directly providing recommendations in some necessary cases. Reports and recommendations were delivered to the Corporation and shareholders;

- Expediting operational departments to provide relevant information to report to the Board of Supervisors; Regularly organizing the preparation and issuance of reports on inspection and supervision results; appraisal reports on quarterly/annual financial statements and other general, appraisal and evaluation reports at the request of major shareholders, directly compiling and submitting reports to major shareholders; Directly providing evaluation, comments and recommendations on the administration of petroleum business, export and sales of crude oil and capital investment in other enterprises; Exchanging, consulting with the Board of Management and the Board of Directors before delivering to the major shareholder;

- Summoning and chairing 03 meetings of the Board of Supervisors; Attending meetings of the Board of Management and other meetings of the Corporation;

- Performing other tasks according to the responsibilities of the Chairman of the Board of Supervisors.

2.2. Ms. Tran Thi Phuong - Supervisor

- Monitoring, supervising and reporting in the following aspects: Management of cash capital; Debt management, including monitoring the handling and collection of outstanding debts and bad debts; Tax management; Construction business insurance; Overseeing the expense management, cost-effective practice and anti-wastefulness; Results of production and business activities of the Holding Company and companies with contributed capital; Monitoring the equitization finalization of PVOIL and Petec; Supervising the implementation of recommendations in Minutes of inspection by

competent authorities; Conducting proposals on selection of independent auditors; Reviewing the opinions of independent auditors;

- Requesting departments to provide information and data related to the assigned areas; discussing with the managements and operational departments about tasks, comments and recommendations related to the areas directly in charge of monitoring and supervising.

- Preparing quarterly inspection and supervision reports and appraisal reports on financial statements and providing recommendations on contents including: (i) strengthening the management and collection of outstanding debts at the Holding Company and affiliates; (ii) provisions for bad debts from PVOIL Laos Trading; (iii) management of cash capital, selection of banks for deposits/loans and the balancing of demand deposits, term deposits and working capital loans of the Holding Company; (iv) implementation of tax declaration and tax payments for gasoline import and preparation; (v) utilization of remaining profits payable to PVN to pay for tax amounts subject to retrospective collection and penalties for late payment from periods prior to equitization; (vi) expense (administrative, insurance, finance) management; (vii) business efficiency and capital preservation of the Holding Company and enterprises with the Holding Company's contributed capital and conducting special finance supervision on some affiliates; (viii) some contents of internal regulations on cash flow management, payment policy and receivables management; (ix) cooperation agreements with partners; (x) divestment of all capital in Petec to PVGAS; (xi) sales at Petromekong; (xii) strengthening control over sales and receivables management during merger of the affiliates. Supervisor's reports were recorded in the official documents to be archived and recorded for comments, then sent to Chairman to compile and prepare general reports;

- Drafting the following documents: Reports on results of operation of the Board of Supervisors; Reports of the Board of Supervisors on production and business performance of the Corporation, results of operation of the Board of Management and Chief Executive Officer; Statement on selection of independent auditor; Reports on inspection and supervision results for the year and operation plan of the Board of Supervisors;

- Participating in all the meetings of the Board of Supervisors, 04/12 meetings of the Board of Management and other meetings of the Board of Directors of the Corporation.

- Performing other tasks as directly requested by the major shareholder - Vietnam Oil and Gas Group.

2.3. Mr. Pham Thanh Son - Supervisor

- Collecting information and preparing reports on the increase/decrease and depreciation of fixed assets, cost of construction in progress and disbursement status of investment projects; status of some outstanding projects. Collecting inventory data in storages belonged to the Holding Company at end of quarter; data on petroleum in the national reserves; petroleum transportation costs; status of human resource, organization, labor and compensation. Preparing statistics on the number of resolutions and decisions issued by PVN related to PVOIL and data on PVOIL's resolutions, decisions and directives;

- Drafting quarterly, semi-annual, annual inspection and supervision reports and appraisal reports on financial statements in accordance with the assigned tasks. Supervisor's reports to Chairman included a number of recommendations, were recorded in official documents to be archived and recorded for contents, then the Chairman compiled and prepared general reports. In the reports, Supervisor should provide summaries and overviews of the current status, independent assessments and recommendations, warnings from the perspective of an inspector and supervisor;

- Drafting reports on remuneration, operating costs and other benefits of the Board of Supervisors and each supervisor;

- Participating in all meetings of the Board of Supervisors and meetings of the Board of Management and Board of Directors when assigned.

II. SUMMARIES OF THE BOARD OF SUPERVISORS' MEETINGS AND CONCLUSIONS, RECOMMENDATIONS OF THE BOARD OF SUPERVISORS

1. Summaries of the Board of Supervisors' meetings

During the year, the Board of Supervisors organized 03 meetings, detailed as follows:

- **1st meeting:** April 15, 2020

- + Attendance: 03/03 members of the Board of Supervisors;

- + Agenda: Reviewing and providing comments on the draft "Appraisal Report on 2019 Financial Statements of PetroVietnam Oil Corporation - JSC". 03/03 members of the Board of Supervisors agreed with the content of the appraisal report on 2019 financial statements of the PetroVietnam Oil Corporation - JSC, agreed to issue the report and delivered to PVN.

- **2nd meeting:** May 20, 2020

- + Attendance: 03/03 members of the Board of Supervisors;

- + Agenda: Reviewing and providing comments on the draft "Report on inspection and supervision results in 2019 and the operation plan for 2020 of the Board of Supervisors" and "Statement on selection of auditors of the 2020 financial statements of PetroVietnam Oil Corporation - JSC" submitted to the 2020 Annual General Meeting of Shareholders (AGM). Accordingly, 03/03 members agreed with content of the draft report submitted to the 2020 Annual General Meeting of Shareholders.

- **3rd meeting:** November 17, 2020

- + Attendance: 03/03 members of the Board of Supervisors;

- + Agenda: Reviewing and providing comments on the draft "Appraisal Report on Financial Statements of the first 9 months of 2020 of PetroVietnam Oil Corporation - JSC". Accordingly, the supervisors agreed to revise and supplement a number of contents that the Corporation's Finance & Accounting department had commented, the issues that were unable to adjust were proposed to remain unchanged as draft. After considering, reviewing, supplementing, revising, 03/03 members of the Board of Supervisors agreed to issue and submit to PVN the contents stated in the Report.

In addition, in the process of monitoring and preparing regular reports, the Chairman together with each Supervisor regularly discussed to determine important matters requiring focus or supplements; each Supervisor and the Chairman discussed and clarified the contents of Supervisor's assessment or recommendations.

2. Summaries of conclusions and recommendations of the Board of Supervisors

In 2020, based on information and data received by the Board of Supervisors from the Corporation, the Board of Supervisors reviewed, analyzed, evaluated and in order to contribute to improving the management, business efficiency and capital preservation of the Corporation, the Board of Supervisors provided comments and recommendations to the Board of Management and Board of Directors of the Corporation on matters such as the management of cash capital; receivables - payables; administration of petroleum business, ensuring supplies, creating external sources of business entities, inventory loans; loss management, considering to issue, supplement and amend some contents of internal regulations; tax declaration and tax payments; restructuring the subsidiaries; cooperation with partners; business status of the subsidiaries; inventory loss management; Investment-procurement; providing documents to the Board of Supervisors and some other areas.

The Board of Supervisors recognized that some recommendations of the Board of Supervisors were handled and resolved by the Corporation. Details: The Board of Directors revised and issued a new Regulation on Inventory management stipulated a 13% reduction in loss compared to the previous Regulation on Inventory management; directed the subsidiaries to improve management of customers' receivables and ensure safety in sales; converted 3-month term deposits to 6 and 12-month term deposits; reviewed the subsidiaries and conducted special finance supervision on 05 subsidiaries; calculated penalty interests for late payments from business entities...

To now, there are still a number of comments and recommendation that the Corporation has not handled due to many different reasons, outstanding issues with long history, the process taking long time, the Corporation is trying to find solutions to resolve and handle in order to minimize impact on the Corporation.

III. SALARY, REMUNERATION, OPERATION EXPENSE AND OTHER BENEFITS OF THE BOARD OF SUPERVISORS AND EACH SUPERVISOR

1. Salary and remuneration of the Board of Supervisors

Salaries, bonuses and remuneration of the Board of Supervisors were established by the Corporation according to the provisions of Decree No. 53/2016/ND-CP dated June 13, 2016, Circular No. 28/2016/TT-BLDTBXH dated September 1, 2016 and Regulation on salaries, job-specific allowances, remuneration and bonuses for Managers, issued under Decision No. 180/QD-DVN dated March 7, 2019.

Salaries in 2020 of the Board of Supervisors were as follows:

Unit: VND Million

No.	Title	Average number		2020 Plan (approved by AGM)	Actual salaries in 2020 (Audited financial statements)	% Actual / Plan
		Plan	Actual			
1	Chairman of the Board of Supervisors	1	1	900	839	93.16
2	Supervisor members	2	2	1,523	1,419	93.16
	Total	3	3	2,423	2,258	93.16

2. Operating expenses and other benefits of the Board of Supervisors

During the year, the Board of Supervisors used the office, utilities, equipment, tools, stationeries and expenses according to applicable limits in the internal regulations of the Corporation. Expenses were recognized and accounted into operating expenses of the Corporation in accordance with current regulations.

IV. BUSINESS PERFORMANCE, RESULTS OF OPERATION AND FINANCE SUPERVISION OF THE CORPORATION

1. Business performance of the Corporation

During the year, though seriously impacted by the Covid-19 epidemic and the world's plummeting oil prices, the Corporation made efforts to implement production and business activities and achieved the following results (audited data):

- Exporting/selling efficiently and safely PVN's entire volume of crude oil/condensate, including sales to Dung Quat Oil Refinery, total outputs as crude oil export/sales agent was above **9.38 million tons**;

- Maintaining stable market shares, distribution system, promoting petroleum business, focusing on increasing sales proportion in direct consumption channels; the Corporation's petroleum business output reached **2.94 million m³/tons** including domestic consumption of **2.71 million m³/tons**, in which retail proportion was **29.4%**;

- Production of petroleum and lubricants reached **455 thousand m³/tons**, mainly E5Ron 92 gasoline reaching **452 thousand m³**;

- The Holding Company's operating revenue in 2020 reached **VND 20,953 billion**, profit before tax of the Holding Company was a loss of **VND 151.6 billion**; of which the loss from external investment was **201.81 billion VND**, the main reason was the impact of the Covid-19 epidemic and the world's plummeting oil prices affecting performances of companies with PVOIL's contributed capital, resulting in the Holding Company having to increase provisions for investment in these companies. Profit after tax of the Holding Company was a loss of **VND 149.27 billion**;

- Total consolidated revenue of the Corporation in 2020 reached **VND 50,541 billion**, consolidated profit after tax was a loss of **VND 166.12 billion**.

2. Results of operation and finance supervision in 2020

In 2020, putting the best effort into implementing the operation plan as assigned by the General Meeting of Shareholders, the Board of Supervisors maintained regular and continuous inspection of the reasonableness, legality, truthfulness and prudence in management and administration of business operation; reviewed the completeness and truthfulness of the Corporation's business reports as well as the performance of the Board of Management and Chief Executive Officer. Results of the supervision were regularly reported to the major shareholder in the reports mentioned in Part I, Section I and Section VI of this report.

Regarding finance supervision, the Board of Supervisors quarterly monitored, inspected and reported to the major shareholder in the reports mentioned in Part I, Section I of this report.

In 2020, PVOIL exceeded the business targets assigned by the General Meeting of Shareholders in Resolution No. 01/NQ-DHDCD dated June 8, 2020 on volume of export/sales of crude oil and contribution to the state budget. The Corporation failed to achieve remaining assigned targets (revenue, profit, investment etc.), the consolidated profit before tax of the Corporation was a loss of 111 billion VND and the Holding Company had a loss of 152 billion VND. The main reasons for failing to achieve the planned targets are:

Average price of Brent DTD crude oil was 41.67 USD/barrel, decreased by 35% compared to 2019 (64.3 USD/barrel) and equivalent to 69% compared to planned (60 USD / barrel), oil prices plunged to negative level at times.

The domestic petroleum market experienced a year full of fluctuations and irregularities, demand plummeted, retail prices dropped to the 13-year low, and the market discount was complicated – extremely low at times but sometimes high ...

The financial indicators for 2020 areas as follows: Consolidated debt ratio = 1.09 (> 1) and Holding Company's debt ratio = 0.95 (<1) within safe limits. Consolidated current ratio = 1.46 > 1 and Holding Company's current ratio = 1.51 > 1, so PVOIL can still ensure liquidity. Since 2020 profit was negative, ROE and ROA were negative.

V. APPRAISAL RESULTS OF THE CORPORATION'S REPORTS

1. Appraisal result of President & CEO's business performance report

The Board of Supervisors reviewed and appraised the information and data presented on the business performance report of the President & CEO of the Corporation and believed the report of the President & CEO reasonably reflected the status of business operation of the Corporation in 2020. The Board of Supervisors agreed with the contents of the report.

2. Appraisal result of evaluation report on management of the Board of Management

The Board of Supervisors reviewed and appraised the evaluation report on management of the Board of Management of the Corporation and believed that the report was prepared in accordance with provisions of the Law on Enterprises, Law on Securities, and the Corporation's Charter and reasonably reflected the operation of the Board of Management. Board of Supervisors agreed with the contents of the report.

3. Appraisal results of financial statements for the first 6 months and the whole year of 2020

Based on the audited separate and consolidated financial statements for the operating period from January 1, 2020 to December 31, 2020 issued by the Corporation on March 15, 2021, the Board of Supervisors found:

+ **Management of cash capital:** At the Holding Company, there were term deposits, demand deposits and bank loans to finance working capital and investment activities. As of December 31, 2020, total term and demand deposits at credit institutions was **VND 8,869.42 billion** (increased by **VND 1,131.3 billion**, equivalent to a 14.6% increase compared to that of January 1, 2020). The Holding Company and affiliates still had term deposits incurring before 2017 at Oceanbank that were restricted from transactions.

+ **Receivable management:**

At the Holding Company, there were outstanding unsecured receivables. The Holding Company sold inventories to the Subsidiaries on non-collateral credit, calculated late payment penalties for overdue debts by the Subsidiaries and bonuses for early payments, outstanding receivables at some Subsidiaries were higher than their equities, while a number of Subsidiaries used inventory capital to offset long-term capital. Outstanding balance of bad debts at the Holding Company as of December 31, 2020 was **VND 89.45 billion**, a decrease compared to 2019, all incurred before the Corporation switched to operating under the Joint Stock Company model, the Holding Company made provisions for 100% total bad debts.

At Subsidiaries, the average reduction of bad debts for the year was **VND 7.82 billion** compared to 2019. There are some outstanding issues in receivable management. Total bad debt balance from affiliates was **901.2 billion VND**, mainly incurred at Petec (accounting for 75.2%) and before 2017.

+ **Liabilities:** During the year, the Holding Company had short-term loans in VND and USD to finance working capital for production and business activities and investment activities. In the liabilities structure, there were liabilities of **VND 131.3 billion** payable to the State related to the equitization of the Holding Company PVOIL. Other payables were mainly related to collection of crude oil payments and purchase of petroleum products from BSR and PVNDB.

+ **Inventory management:** Actual inventory losses were within the norm. Inventories of the Holding Company at the end of 2020 were: **107,809 m3**, equivalent to **VND 917.27 billion**. The actual losses in 2020 were **2,594 m3** equaled to 54.24% of the norm. In the whole system, value of petroleum inventories at the end of the year was **VND 1,829.24 billion**.

During the year, reversal provision for devaluation of inventory was **66.39 billion**.

+ **Asset procurement and investment:** In 2020, the whole Corporation developed 27 new petrol stations, bringing the total number of petrol stations operating in the whole system to 590. Particularly, the Holding Company developed 5 stations.

The value of actual investment by the Holding Company in 2020 was **VND 146.52 billion**, of which completed and put into operation during the year was **69.17 billion**. The

value of construction in progress at the Holding Company as of December 31, 2020 was **VND 140.03 billion**, in the whole system was **249.78 billion VND**.

The value of fixed assets as of December 31, 2020 of the Holding Company was **VND 1,142.14 billion**, of which the value of land use rights was **VND 295.47 billion**; the net value of fixed assets of the whole system was **VND 3,737.19 billion**, of which the value of land use rights was **VND 1,574.64 billion**.

+ ***External financial investment***: In 2020, the Corporation did not increase financial investments in other enterprises; a decrease arose from the divestment of all contributed capital in PetroVietnam Infrastructure and Urban Investment Joint Stock Company (Petroland). As of December 31, 2020 the balance of capital contribution to other enterprises of the Holding Company was **VND 4,408.91 billion**, accounting for 42.6% of the charter capital. The Holding Company made provisions for financial investments of **VND 570.37 billion**, accounting for 13% of invested capital.

+ ***Cost management***: In 2020, the Holding Company spent **2.27 billion VND** on PVB and BSR-BF biofuel projects and accounted the amount in administrative expenses, interest expenses incurred due to deferred payment of PVOIL Phu My processing fees. Average administrative and selling expenses of the Holding Company decreased by 5.8%, interest expenses decreased by 18% and provisions for financial investments increased by 318% (equivalent to an increase of **VND 198.39 billion**) compared to the same period in 2019; some other expenses require continuous improvement of internal regulations to strengthen management.

+ ***Regarding business performance of companies with contributed capital from the Holding Company***: In 2020, 15/28 companies where the Holding Company held controlling capital generated profits of **VND 106.8 billion** and 13/28 generated losses of **VND 286.4 billion**. 16/28 companies where the Holding Company held controlling capital generated accumulated losses; during the year, the Corporation put 05 companies under special finance supervision.

+ ***Regarding financial targets of the Holding Company***: Debt ratio = 0.95(<1) within safe limits. Current ratio = 1.51 > 1, so PVOIL can still ensure liquidity. Since 2020 profit was negative, ROE and ROA were negative.

+ ***Preservation of owners' equity***: In 2020, the Holding Company's performance was a loss of **VND 149.27 billion**, resulting in Equity lower than Chartered Capital, thus owners' contributed capital was not preserved. The main reason was the impact of the Covid epidemic causing a decrease in consumption and complicated movement of world's oil prices, many companies with PVOIL's contributed capital suffered from losses, thus the Holding Company had to increase provisions for financial investments.

+ ***Regarding the Basis for Qualified Opinion, Emphasis of Matter of the independent auditor***: In the separate financial statements of the Holding Company, there was a Basis for Qualified Opinion by the independent auditor related to the investment of the Holding Company in Petrochemical and Biofuel Joint Stock Company with a value of **VND 285.5 billion** and the Holding Company made a provision of **VND 3.7 billion**. Meanwhile, the independent auditor emphasized that the data presented in the financial statements did not include adjustments related to the equitization finalization because the Holding Company had not finalized with competent state authorities.

In the consolidated financial statements, there was also a Basis for Qualified Opinion, Emphasis of Matter regarding the financial settlement when finalizing Petec's equitization and the value of the land parcels at PVOIL Saigon where certificates of land use rights had not been granted, land use rights had not been transferred or land use period had not been extended.

The Basis for Qualified Opinion of the independent auditor was reported and explained by the Corporation in a document posted on the Corporation's website.

Based on remarks on some of the above areas, the Board of Supervisors believed:

- The annual financial statements for the year ended on December 31, 2020 reasonably reflected the financial status as well as business performance of the Corporation. The preparation and presentation of financial statements were in accordance with the provisions of the Corporation's Accounting Standards and Accounting System.

- The separate and consolidated financial statements for the operating period from January 1, 2020 to December 31, 2020 were audited by Deloitte Vietnam Co., Ltd. in accordance with the Corporate Charter and resolution of the General Meeting of Shareholders.

- The Corporation prepared and submitted the financial statements in accordance with the State's regulations; reported and published regular information to the State Securities Commission and the Stock Exchange within prescribed time limits.

The Board of Supervisors agreed with the audited separate financial statements, the audited consolidated financial statements for the year ended on December 31, 2020 of the Corporation and the Basis for Qualified Opinion, Emphasis of Matter of the independent auditor.

VI. ASSESSMENT REPORT ON TRANSACTIONS BETWEEN PVOIL HOLDING COMPANY, SUBSIDIARIES AND MEMBERS OF THE BOARD OF MANAGEMENT, CHIEF EXECUTIVE OFFICER, OTHER EXECUTIVE OFFICERS OF THE PVOIL HOLDING COMPANY AND RELATED PERSONS; TRANSACTIONS BETWEEN PVOIL HOLDING COMPANY AND A COMPANY WHERE A MEMBER OF THE BOARD OF MANAGEMENT, CHIEF EXECUTIVE OFFICER, OTHER EXECUTIVE OFFICER OF PVOIL HOLDING COMPANY WAS A FOUNDING MEMBER OR MANAGER DURING THE LAST 03 YEARS PRIOR TO TRANSACTION TIME

1. Assessment report on transactions between PVOIL Holding Company, Subsidiaries and Members of the Board of Management, Chief Executive Officer, other Executive Officers of PVOIL Holding Company and related persons

According to the Corporation's report in Document No. 828/DVN-KH dated February 3, 2021 on the status of corporate governance, in 2020 there were no transactions between PVOIL Holding Company, Subsidiaries and Members of the Board of Management, Chief Executive Officer, other Executive officers of PVOIL Holding Company and related persons. Board of Supervisors did not receive any further relevant information.

2. Assessment report on transactions between PVOIL Holding Company and a Company where a Member of the Board of Management, Chief Executive Officer, other Executive officer of PVOIL Holding Company was a founding member or manager during the last 03 years prior to transaction time

According to the information received by Board of Supervisors, in 2020 the Holding Company signed contracts and executed the following related transactions:

+ *Petroleum purchase and sale transactions*: Currently, according to the Corporation's business model, the Holding Company is responsible for ensuring and providing petroleum supplies for its Subsidiaries for distribution in the assigned areas, so there are *petroleum purchase and sale contracts* between the Corporation and the Subsidiaries. On January 11, 2021, the Corporation's Board of Management issued Decision No. 12/QD-DVN on authorization of decisions under Board of Management's authority. The Board of Supervisors did not receive any further relevant information.

+ Currently, PVOIL's Board of Directors has issued a decision approving the results of selecting PVTRANS as the petroleum transportation company in 2021- the company related to a business manager during the last 3 years prior to transaction time the time.

+ *Transactions between PVOIL Holding Company and HDBank where a concurrent member of PVOIL's Board of Management was simultaneously Vice President of HDBank*: (i) contract with HDBank to integrate PVOIL Easy with QR Code payment and POS swiping: PVOIL's Board of Management issued a resolution to approve; (ii) signed 11 contracts for 6-month, 12-month term deposits and checking accounts with Ho Chi Minh City Development Joint Stock Commercial Bank (HDBank): PVOIL's Board of Management issued a resolution to approve the deposit plan and limits during the year.

VII. RESULTS OF SUPERVISION OF THE BOARD OF MANAGEMENT, CHIEF EXECUTIVE OFFICER AND OTHER EXECUTIVE OFFICERS OF THE CORPORATION

In 2020, the management and administration of production and business activities of the Corporation's Board of Management and Board of Directors complied with the provisions of the Law on Enterprises, the Corporate Charter, Resolutions of the General Meeting of Shareholders and provisions of law. During the year, the management and administration of the Board of Management and Chief Executive Officer was as follows:

1. Activities of the Board of Management

- The Board of Management implemented the contents approved by the General Meeting of Shareholders, ensuring regular and continuous business activities of the Corporation. The Board of Management conducted 12 meetings, issued 101 resolutions, 10 decisions and directives to manage/direct the Corporation's activities in all aspects: Organization -Human resource - Labor and salaries (35 resolutions); Operation (23 resolutions); Restructure - divestment (06 resolutions); Finance (06 resolutions); Investment - Asset transfer (05 resolutions); Issuing documents directing annual/unexpected meetings of Board of Management/ General Meeting of Shareholders (26 resolutions).

- The Board of Management exercised their functions and duties; directed, monitored and supervised the implementation of resolutions/decisions/minutes of the General Meeting of Shareholders.

- Board of Management has worked with a sense of responsibility, held regular meetings in accordance with regulations and collected written opinions to make decisions. The Board of Management promptly held meetings to clarify recommendations and proposals from the Board of Directors in order to issue resolutions and decisions under its authority. Resolutions and decisions of the Board of Management were issued based on written ballots of the majority of members, in compliance with provisions of the Corporate Charter and the Law on Enterprises.

- The Board of Management regularly supported and created favorable conditions for Board of Supervisors to perform its functions and duties.

2. Activities of Chief Executive Officer and the Board of Directors

- The Chief Executive Officer (CEO) issued documents directing the operational departments/branches and subsidiaries to implement the contents according to the internal regulations, the Corporate Charter, resolutions/decisions of the Board of Management, of the General Meeting of Shareholders and relevant provisions of law.

- CEO regularly worked with key officials of the Holding Company and managers of affiliates to promptly direct the production and business operations; actively seeking solutions to problems and difficulties in production, business and investment of the Corporation and each affiliate. Actively directed the implementation of programs to apply information technology to business activities to create new business methods in the complicated context of Covid 19 pandemic, at the same time improve administrative capacity; promote the search for business cooperation partners, particularly the signing of cooperation contracts on production of gasoline and DO products with PVGas, in the 5 years of immediate future; promote investment in developing petrol stations to expand the retail system.

- Actively directed the review and handling of backlogged investment projects (in Phu Quoc, Cambodian Condensate project, at PVOIL Cai Lan, PVOIL Phu My, PVOIL Phu Tho, biofuel projects ...), regularly directed the review on reducing costs, especially those not generating profits; actively directed the implementation of the overall plan to restructure the Corporation and organize the subsidiaries in the 2020-2025 period according to Joint Resolution No. 51/NQLT-DVN dated July 21, 2020; continued to actively implement the divestment at several companies, completely divested all capital at Petroland.

- Submitted documents of explanation, implemented recommendations from Minutes of the State Auditors, Tax authorities, and Customs authorities conducting inspection in 2020.

- CEO regularly supported and created favorable conditions for Board of Supervisors to perform its functions and duties.

Regarding the report on the operation performance in 2020 and the direction and tasks for 2021 of the Board of Management, the report on production performance and business activities in 2020 and the plan for 2021 of the Chief Executive Officer presented at the General Meeting of Shareholders, the Board of Supervisors reviewed and agreed with the content of the reports.

VIII. ASSESSMENT RESULTS OF THE COORDINATION BETWEEN THE BOARD OF SUPERVISORS AND THE BOARD OF MANAGEMENT, CHIEF EXECUTIVE OFFICER AND SHAREHOLDERS

The Board of Supervisors closely coordinated with the Board of Management and the Board of Directors in performing the assigned functions and duties. Regularly exchanged with relevant departments to understand and clarify the necessary contents before providing official warnings and recommendations. Supervision reports, regular appraisal reports on financial statements and other reports of the Board of Supervisors were all consulted with the Board of Management and Chief Executive Officer prior to official submission. The Board of Management and Chief Executive Officer created favorable conditions for the Board of Supervisors to perform its duties.

In addition to inviting the Board of Supervisors to attend official meetings, members of the Board of Management and the Board of Directors also regularly discussed difficulties and problems to find cautious, reasonable and legal solutions for the Corporation. The Internal Audit Committee and the Secretary of the Board of Management cooperated closely with the Board of Supervisors in providing information and documents related to decision-making and internal audits.

The Chief Executive Officer regularly invited the Board of Supervisors to attend monthly briefings, meetings to handle important matters of the Corporation; regularly discussed difficulties and problems to find cautious, reasonable and legal solutions for the Corporation. The Chief Executive Officer directed the operational departments to coordinate, provide information and documents to the Board of Supervisors, and the operational departments were generally cooperative in providing and clarifying relevant information. General information on management of business operations, investments and finance has gradually been provided.

The Board of Supervisors regularly and cautiously implemented the operation plan as approved by the General Meeting of Shareholders; abide by the regulations and regular or unexpected request of the major shareholder; was always ready to perform inspection and reporting on issues requested by a shareholder or group of shareholders as stipulated in Clause 2, Article 114 of the Law on Enterprises. At the General Meeting of Shareholders, all members of the Board of Supervisors attended, sufficiently reported the contents as prescribed and always provided comments, assessments and recommendations to the General Meeting of Shareholders in order to continuously improve the administration, inspection and supervision at the Corporation. At the 2020 Annual General Meeting of Shareholders, the Board of Supervisors received questions from attending shareholders, and the Board of Supervisors answered all queries from shareholders.

IX. RECOMMENDATIONS

Based on the inspection and supervision results in 2020 and forecasts of oil prices and the ongoing complicated, unpredictable Covid-19 pandemic, petroleum production and trading is still facing many difficulties and challenges. The Board of Supervisors has some recommendations as follows:

1. Continue to review and apply special finance supervision on subsidiaries with negative operation results/financial insecurity and other criteria as prescribed; Implement dividend policy, ensuring financial investment efficiency of the Holding Company.

2. Strengthen the review and assessment of customers/customer's financial status, probably take into account value of real assets in addition to liquidity and equity indicators to apply reasonable debt policies for each case. Regularly assess and implement safety measures on customers' unsecured credits at the Holding Company and subsidiaries. Actively expedite debt collection to stay on schedule, ensuring no loss of revenue and no bad debts incurring. Continue to implement measures to drastically handle, fully collect and terminate lasting and outstanding bad debts; identify responsibilities related to the occurrence and responsibilities to expedite the recovery of outstanding debts.

3. Increase the forecast quality of revenues and expenditures to reasonably balance cash flows of the Holding Company, maintain sufficient checking accounts to meet demands for regular payments, and take out loans to finance working capital in case the idle cash flows cannot balance. Regularly monitor, review and balance deposits at banks, ensuring the balance not exceeding the approved limit; organize the selection of banks for term deposits/guaranteed working capital financing based on the Corporation's official request and the banks' official interest rates offer letter signed and approved by authorized persons. Regularly update bank liquidity, evaluation and rankings, including when signing new/extended term deposit contracts and depositing into checking accounts...

4. Continue to implement the restructuring plan for subsidiaries. Promptly finalize legal real estate dossiers and continue to report to competent authorities to resolve outstanding issues in order to complete the equitization finalization of PVOIL and Petec; Continue divestment in companies with inefficient operations and external investments outside the main business lines approved by PVN.

5. Actively work with related parties to prepare timely response and to minimize the impact on the capital contribution ratio at PVOIL Cai Lan. Continue to work with relevant agencies and organizations to completely resolve the case of falsifying PVOIL's documents and dossiers to establish DMCC Company in Dubai, UAE.

6. In the last year PVOIL's Board of Directors has drastically implemented a series of cooperation methods with partners. During the cooperation, the Board of Supervisors believes that the Corporation would continue to apply internal regulations on selection of contractors providing goods and services to ensure competitiveness.

7. Continue directing to resolve the outstanding issues/recommendations stated in Audit reports/Audit conclusions of the State Audit and inspection teams and the outstanding issues/recommendations mentioned in previous reports of PVOIL's Board of Supervisors that have not been resolved.

8. Strengthen the cooperation with the Board of Supervisors in providing information, with focus on information regarding business operations, cost of goods, status of supply development, inventory, distribution management; detailed quarterly/annual business performances by each business line and product.

9. Regularly review and promptly update the norms for petroleum loss by each stage, each product, each vehicle, each storage... close to actual data, as a basis for improving the quality of product management.

PART II

OPERATION PLAN FOR 2021 OF THE BOARD OF SUPERVISORS

Conducting the functions and duties of the Board of Supervisors in accordance with the Law on Enterprises and the Corporate Charter, in 2021 the Board of Supervisors developed the operation plan as follows:

- Monitoring and evaluating the implementation of the Resolution of the 2021 Annual General Meeting of Shareholders, the Corporate Charter, the Law on Enterprises and other legal documents;

- Monitoring and supervising the implementation and compliance with the Guidelines, Resolutions, Decisions and Directives from the major shareholder related to the Representative at the Corporation.

- Monitoring/supervising and evaluating the financial status, capital balance and cash flow management; operational efficiency and liquidity; status of capital management and utilization; equity preservation and development; implementation of quarterly production plans; monitoring the implementation, progress and efficiency of investment projects.

- Monitoring, supervising and evaluating the compliance with regulations in the following areas: (i) petroleum business activities; (ii) petroleum engineering and product management; (iii) debt management and collection; handling and recovery of bad debts.

- Inspecting the reasonableness, legality, truthfulness and level of prudence in management and administration of business operations; the systematicity, consistency and appropriateness of accounting and statistical work and preparation of financial statements.

- Reviewing accounting books, accounting records and other documents of the company, management and administration of business activities of the Corporation when it deems necessary.

- Coordinate with the Corporation and PVOIL's representative of capital, supervising representatives at companies with contributed capital to indirectly inspect/supervise the status of production and business activities and capital preservation at the branches and subsidiaries where PVOIL holds controlling capital. When necessary, the Board of Supervisors will organize or coordinate with the Corporation to conduct a direct inspection at the company.

- Monitoring/supervising the implementation of corporate restructuring and revamp in accordance with the approved Decision/Directive/Resolution.

- Monitoring/supervising the status of in capital investment, divestment and evaluating the efficiency of PVOIL's financial investments in other companies.

- Reviewing, inspecting and evaluating the effectiveness and efficiency of PVOIL's internal control, internal audit, risk management and early warning system; providing

recommendations, proposals to amend and improve performance of the internal control system.

- Coordinating with the functional agencies of the State, inspectors, and internal auditors of PVN and the Corporation in inspecting and supervising the management and administration of production and business activities at the Corporation.

- Inspecting and supervising the implementation and processing of recommendations of the inspection teams of from functional state authorities at the Corporation.

- Preparing quarterly supervision reports in accordance with regulations of the major shareholder and other reports as requested.

- Supervising the development and assignment of the PVOIL's production and business plan for 2022.

- Attending specific, regular and irregular meetings of the Corporation to update the status of production and business operations, promptly providing comments and recommendations to the Corporation.

- Performing other tasks when requested by the General Meeting of Shareholders, groups of shareholders or the major shareholder.

Above is the report of the Board of Supervisors of Petro Vietnam Oil Corporation - JSC. Respectfully proposing to the General Meeting of Shareholders of Petro Vietnam Oil Corporation - JSC for consideration and approval

Sincerely./.

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

Nguyen Duc Ken

Initial:

1. Supervisor Tran Thi Phuong:
2. Supervisor Pham Thanh Son: