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DRAFT

REPORT
ON RESULTS OF OPERATION IN 2021 AND
OPERATION PLAN FOR 2022 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 (BOS) of PetroVietnam Oil Corporation - JSC respectfully report to the General Meeting of Shareholders (AGM) the operation status in 2021 and operation plan for 2022 as follows:

PART I

2021 OPERATION REPORT OF THE BOARD OF SUPERVISORS

I. Self-assessment report on results of operation of the Board of Supervisors and each supervisor

1. Operation results of the Board of Supervisors

Based on provisions of the Law on Enterprises and the Corporate Charter, in 2021 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 2021, besides performing the tasks in the plan approved by the General Meeting of Shareholders, quarterly, the Board of Supervisors reported to the major shareholder on the inspection, supervision and appraisal of financial statements.

In 2021, the Board of Supervisors participated in the meetings of the Board of Management (BOM) and other meetings of the Corporation upon receipt of invitation.

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

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 advices, warnings and recommendations regarding outstanding issues in the management and administration at PVOIL.

During operation, BOS have always been faithful to the interests of the Corporation and the 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

- Performed the responsibilities, duties of inspecting and supervising the management and administration at the Corporation according to regulations. Regularly researched, exchanged and commented in the professional aspects, promoted each Supervisor' capabilities so BOS could fulfill their responsibilities;

- Organized the implementation of the operation plan approved by General Meeting of Shareholders for 2021; organized the preparation and completion of operation plan of the Board for 2022. Expedited the Supervisors to exercise their duties and authorities to complete the tasks in the assigned areas, ensuring execution of the plan as approved by the shareholders. Exchanged and summarized the opinions and recommendations of the Supervisors, promptly exchanged with the managers of the Corporation and related departments on solutions to handle and overcome outstanding issues and other related matters; Directly provided recommendations under some necessary circumstances. Reports and recommendations were delivered to the Corporation and shareholders;

- Expedited functional departments to provide relevant information to report to the Board of Supervisors; Regularly organized 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 provided evaluation, comments and recommendations on the administration of petroleum trading, export and sales of crude oil and capital investment in other enterprises; Exchanged, consulted with the Board of Management and Board of Directors (BOD) before delivering to the major shareholder;

- Summoned and chaired 02 meetings of the Board of Supervisors; Attended meetings of the Board of Management and other meetings of the Corporation;

- Performed other tasks according to the responsibilities of the Chairman of BOS;

2.2 Tran Thi Phuong – Supervisor

- Monitored, supervised and reported in the following aspects: Management of cash capital; Debt management, including monitoring the handling and collection of outstanding debts and bad debts; Tax management; Petroleum 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;

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

- Prepared 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) management of cash capital, balance/selection of banks for deposits/loans; (iii) expense (administrative, insurance, finance) management; (iv) business efficiency and capital preservation of the Holding Company, companies with capital contribution and and conducting special finance supervision on some companies; (v) supplemented the list of banks for loans; (vi) business activities of 02 affiliates in Laos; (vii) the cooperation agreement with partners

and some other issues. Supervisor's reports were recorded in the official document book to be archived and recorded for comments, then sent to Chairman to compile and prepare general reports;

- Drafted the following documents: Reports on results of operation of the Board of Supervisors; Statement on selection of independent auditor; Reports on inspection and supervision results for the year and operation plan of the Board of Supervisors; other works in the areas directly in charge.

- Participated in all the meetings of the Board of Supervisors, 06 meetings of the Board of Management and other meetings of the Corporation when invited.

- Performed other tasks at the request of major shareholders.

2.3. Pham Thanh Son - Supervisor

- Implemented and prepared reports on investment in capital construction, investment in procurement, management of goods - assets; petroleum goods for national reserve; Economic - technical norms and loss; petroleum transportation costs; labor and salary and the implementation of resolutions, decisions, and internal regulations.

- Quarterly appraised the Corporation's reports in the assigned areas to Chairman, including: Appraisal reports on the quarterly, semi-annual and annual financial supervision reports of the Corporation, Appraisal reports on the quarterly/annual financial statements of the Holding company and consolidated Corporation according to the supervising works and commented specifically in the reports.

- Supervisor's reports to the Chairman were recorded in the official document book to be archived and recorded for comments, then sent to Chairman to compile and prepare general reports;

- Participated in 02 meetings of the Board of Supervisors and meetings of Board of Management and Board of Directors of the Corporation when assigned;

- Drafted Report on remuneration, operating costs and other benefits of the Board of Supervisors;

- Participated 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, Board of Supervisors held 02 meetings, details as follows:

- **1st meeting:** September 7, 2021

- + 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 6 months of 2021 of PetroVietnam Oil Corporation - JSC". Accordingly, the Supervisors agreed to adjust and supplement some contents suggested by the Corporation's divisions, the issues that cannot be adjusted were proposed to remain as

draft. After considering, reviewing, supplementing, adjusting, 03/03 members of the Board of Supervisors agreed to archive the comments of the Supervisors, unanimously agreed to issue and submit to PVOIL the contents as in the Report.

- **2nd meeting:** November 15, 2021

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

+ Agenda: Reviewing and commenting on the draft "Report on inspection and supervision results in 2021 and operation plan for 2022 of the Board of Supervisors" to be submitted to PVOIL. Accordingly, 03/03 members agreed with the content of the draft.

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 supplement; 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 2021, based on information and data received from the Corporation, the Board of Supervisors reviewed, analyzed, evaluated and in order to contribute to improving the corporate governance, 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 cash management; receivables - payables; administration of petroleum business; loss management; considering to issue, supplement and amend some contents of internal regulations; tax declaration and tax payments; restructuring of the subsidiaries; cooperation with partners; business performance 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. Specifically, the Holding Company recovered all bad debts from Duong Dong Kien Giang Petroleum JSC; directed the subsidiaries to improve management of customers' receivables and ensure safety in sales; continued to make 6 and 12-month term deposits at credit institutions; reviewed the subsidiaries and conducted special finance supervision on 08 subsidiaries (increased by 03 subsidiaries compared to 2020); calculated late penalty interests for trading companies etc.

III. Salary, remuneration, operating expenses 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 principles specified in Decree 53/2016/ND-CP dated June 13, 2016, Circular 28/2016/TT-BLDTBXH dated September 1, 2016. In 2022, the Corporation issued the Regulation on salary - bonus - remuneration for Managers (including Supervisors) in Decision No. 127/QĐ-DVN dated February 10, 2020 replacing Decision No. 180/QĐ-DVN dated March 7, 2019.

Actual salaries in 2021 of the Board of Supervisors were as follows:

Unit: VND millions

No.	Job title	Average no of people		2021 Plan (AGM approved)	2021 Actual (Audited Financial Statements)
		Plan	Actual		
1	Board of Supervisors (dedicated)	3	3	2,619	3,144
	Total	3	3	2,619	3,144

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 norms in the internal regulations of the Corporation. Expenses were recognized and accounted into operating expenses of the Corporation in accordance with applicable regulations.

IV. Business results, supervision of the Corporation's finance and operation

1. Business results of the Corporation in 2021

Despite being heavily impacted by the Covid-19 pandemic during the year, with favorable oil price movements, the Corporation made efforts to implement production and business activities and achieved the following results (audited data):

- Safely and effectively exporting/selling PVN's entire volume of crude oil/condensate, including sales to Dung Quat Oil Refinery, total outputs as crude oil export/sales agent was 8.99 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 3.13 million m³/tons, of which domestic consumption was 2.95 million m³/tons with the retail proportion reaching 25.1%;

- Production of petroleum and lubricants reached 503 thousand m³/tons, of which mainly E5Ron 92 gasoline reaching 500 thousand m³;

- Revenue/income for the 2021 operating period of the Holding Company reached VND 33,391 billion, profit before tax of the Holding Company was VND 697.55 billion. Profit after tax of the Holding Company was VND 569 billion;

- Total consolidated revenue of the Corporation in 2021 reached VND 58,298.56 billion, consolidated profit after tax was VND 772.86 billion.

2. Supervision results of finance and operation in 2021

In 2021, 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.

Regarding the supervision of financial activities, 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 2021, PVOIL exceeded the business KPIs assigned by the General Meeting of Shareholders in Resolution No. 21/NQ-ĐHĐCD dated April 27, 2021. The consolidated revenue exceeded target by 5%, Holding Company's revenue exceeded target by 24% and the consolidated profit after tax exceeded target by 142%, Profit after tax of the Holding Company exceeded target by 137%.

The financial indicators for 2021 were as follows: Consolidated debt ratio = 1.4 and Holding Company's debt ratio = 1.2, less than 3 (< 3) according to industry indicator, so within safe limit. Consolidated current ratio = 1.37 times > 1 and Holding Company's current ratio = 1.4 > 1 , so PVOIL can ensure liquidity; Holding Company's ROE = 5.4%; Holding Company's ROA = 2.6%.

V. Appraisal results of the Corporation's reports

1. Appraisal results of CEO's business report

The Board of Supervisors reviewed and appraised the information and data presented on the business performance report of the CEO of the Corporation and believed the report of the CEO reasonably reflected the status of business operation of the Corporation in 2021. 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 of 2021 and the whole year of 2021

Based on the audited separate and consolidated financial statements for the operating period from January 1, 2021 to December 31, 2021 issued by the Corporation on March 16, 2021, the Board of Supervisors found:

+ **Cash management:** At the Holding Company, there are current accounts, term deposits and bank loans to finance working capital and investment activities; in the year, term deposits at credit institutions increased by 11,573.06 billion VND, decreased by 10,333.06 billion VND, corresponding to the interest received of 331.69 billion VND (excluding branches); Amounts on current accounts and term deposits as of December 31, 2021 was VND 9,815.3 billion (an increase of VND 945.9 billion, equivalent to an increase

of 10.7% compared to January 1, 2021). The Holding Company and other entities still had term deposits at Oceanbank from before 2021 that were restricted from transactions.

+ **Receivable Management:**

At the Holding Company: sold to the subsidiaries in the form of on non-collateral credit, charged late payment penalty for over-limit amounts owed by the subsidiaries and bonus for early payment. The outstanding balance of bad debts at the Holding Company as of December 31, 2021 was 47.82 billion VND, decreased by 41.63 billion VND compared to the beginning of the year, 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, at the end of the year, bad debts decreased by 17.43 billion VND and increased by 5.35 billion VND compared to the beginning of the year. There were still some shortcomings in receivable management. Total bad debt balance at the subsidiaries as of December 31, 2021 was VND 799.7 billion, mainly incurred at Petec (accounting for 84.6%) from before 2017. Subsidiaries made provision for 97.4% of bad debts.

+ **Paybles:** Payables mainly related to crude oil collected on behalf of BSR and PVNDB, and purchases of oil products. At the same time, during the year, the Holding Company took out short-term loans in VND and USD to finance working capital for business and investment activities. Total value of short-term loans in 2021 increased by VND 17,386.43 billion, decreased by VND 16,664.54 billion, corresponding to the recorded short-term financial expense of 112.02 billion dong.

+ **Inventory management:** During the year, the Holding Company imported 5,224.22 thousand m³ of petroleum of all kinds, worth VND 64,484.40 billion and exported 5,218.09 thousand m³ worth of VND 63,867.22 billion. Actual loss of inventory at the Holding Company in 2021 was 2,941 m³, equivalent to 55.67% of the norm and within the stipulated norm. The amount of inventory of the Holding Company at the end of 2021 was 104,294 m³, equivalent to VND 1,386.04 billion. In the whole system, the value of petroleum inventory at the end of the year was VND 2,579.36 billion. Inventory works and the handling of inventory surplus/shortage afterwards of the Holding Company was carried out in accordance with regulations.

+ **Asset procurement and investment:** In 2021, the Corporation developed 26 new petrol stations, bringing the total number of petrol stations operating in the whole system to 611 petrol stations. Particularly the Holding Company developed 10 stations.

Investment value made at the Holding Company in 2021 was VND 39.30 billion, accumulated to December 31, 2021 was VND 179.33 billion, of which completed and put into operation during the year was VND 176.20 billion. The value of construction in progress at the Holding Company as of December 31, 2021 was VND 3.13 billion, in the whole system was VND 108.98 billion.

The value of fixed assets as of December 31, 2021 of the Holding Company was VND 1,228.17 billion, of which the value of land use rights was VND 362.80 billion; In the whole

system, the net value of fixed assets was VND 3,747.94 billion, of which the value of land use rights was VND 1,554.76 billion.

+ **Labor and salary:** In 2021, the Corporation implemented labor, salary and benefits for employees in accordance with current legal provisions, collective labor agreement and internal regulations on salary, allowance, remuneration, bonus for employees and managers.

Total actual salaries in 2021 was VND 213.78 billion, in which the Employees' salary was VND 195.97 billion and Managers' salary was 17.81 billion VND, within the plan approved by the 2021 AGM.

+ **External financial investment:** In 2021, the Corporation did not increase financial investments to contribute capital to other enterprises; a decrease arose from the divestment of all contributed capital in Duong Dong Kien Giang Petroleum JSC. As of December 31, 2021, the balance of capital contribution to other enterprises of the Holding Company was VND 4,379.59 billion, accounting for 42.37% of charter capital. The Holding Company made provision for financial investment in the amount of VND 568.16 billion, accounting for 13% of the invested capital.

+ **Cost management:** Total cost of the Holding Company decreased by VND 84.45 billion on average, equivalent to a 6.7% decrease, in which: administrative expenses reduced by 7%, selling expenses increased by 27.3%, financial expenses reduced by 57% (of which interest expenses increased by 16%) and other expenses increased by 100% compared to the same period in 2020, other costs increased mainly due to the process of stopping investment in the project to expand condensate processing plant in Phu My and the national bonded petroleum depot-national reserve project in Phu Quoc. In 2021, the Holding Company continued to support salaries for 03 employees of Phu Tho Biofuel JSC (PVB) and recorded in corporate administration expenses, incurred interest expenses on late payment to PVOIL Phu My; some other expenses require continuous improvement of internal regulations to strengthen management.

+ **Regarding the business performance of enterprises with capital contribution from the Holding Company:** In 2021, 25/28 companies in which the Holding Company held controlling capital generated profits of VND 189.82 billion and 02/28 generated losses of VND 31.7 billion. There are 12/28 companies in which the Holding Company held controlling capital generated accumulated losses; During the year, the Corporation put 08 companies under special financial supervision.

+ **Preserve owner's capital:** In 2021, the Holding Company's business result was a profit of VND 569 billion, Owner's equity is higher than Charter Capital (equaled to 1.04 times), so Owner's equity is preserved.

+ **Regarding the Basis for Qualified Opinion, Emphasis of Matter of the independent auditor:** In the separate financial statements of the Holding Company, independent auditor continued to have a Basis for Qualified Opinion 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 4.2 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, the auditor continued to have a Basis for Qualified Opinion, Emphasis of Matter related to the financial settlement when finalizing Petec's equitization; 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; investment value at PVB.

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, 2021 reasonably reflected the financial status as well as business performance of the Corporation. The preparation and presentation of financial statements were in accordance with provisions of the Enterprise Accounting Standards and Accounting System.

- The separate and consolidated financial statements for the operating period from January 1, 2021 to December 31, 2021 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, 2021 of the Corporation and the Basis for Qualified Opinion, Emphasis of Matter of the independent auditor.

For the separate financial statements of the Holding Company and the consolidated financial statements for the period from January 1, 2021 to June 30, 2021, which was reviewed by Deloitte Vietnam, the Board of Supervisors appraised and agreed with the contents presented in this report. The preparation and presentation of the financial statements were in accordance with provisions of the Enterprise Accounting Standards and Accounting System.

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 of 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

According to the Corporation's report in Document No. 824/DVN-KH dated January 27, 2022 on corporate governance status, in 2021, 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. Besides, the 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

In addition, according to above-mentioned document No. 824/DVN-KH and the information received by the Board of Supervisors, in 2021 the Holding Company performed 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, hence the 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 decentralization of decisions under Board of Management's authority to CEO.

+ PVOIL's Board of Management issued Decision No. 726/QD-DVN dated December 31, 2020 approving the results of selecting PVTRANS as the petroleum transportation provider in 2021 – which is a Company related to an executive officer during the last 03 years prior to transaction time.

+ Petroleum purchase and sale contract with PVOIL Laos: PVOIL's executive officer is also the Chairman of PVOIL Laos.

+ Lease transaction of Petromekong's storage: PVOIL's executive officer is also the Chairman of Petromekong's Board of Management.

+ 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.

+ *Transactions between PVOIL and HDBank in which a concurrent member of PVOIL's Board of Management holds the position of Deputy General Director of HDBank*: signed 09 6-month and 12-month term deposit contracts, total value of term deposits in 2021 was VND 1,400 billion; deposits at checking accounts, providing checking services in VND and USD. PVOIL's Board of Management issued a Resolution approving the deposit plan and limits for the year.

VII. Results of supervision of the Board of Management, Chief Executive Officer and other Executive Officers of the corporation

In 2021, the management and administration of business operations 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 uninterrupted business operations of the Corporation. The Board of Management conducted 12 meetings, issued 107 resolutions to manage/direct the Corporation's activities in all aspects: Organization - Human resource - Labor and salaries (33 resolutions); Operation (17 resolutions); Capital investment - Divestment - Restructuring (14 resolutions); Finance (06 resolutions); Asset Investment - Transfer (17 resolutions); Directing annual/extraordinary meetings of Board of Members/Board of Management/ General Meeting of Shareholders (20 resolutions).

- The Board of Management exercised their functions and duties prescribed in provisions of the Law on Enterprises and Corporate Charter; promptly directed, monitored and supervised the Board of Directors in the implementation of resolutions, decisions of the General Meeting of Shareholders.

- Board of Management has worked with a sense of responsibility, held meetings and collected opinions to make decisions. The Board of Management regularly held meetings to clarify recommendations from the Board of Directors in order to issue resolutions and decisions accordingly. 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 provided 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) regularly directing the functional divisions/branches and subsidiaries to implement the contents according to internal regulations, Corporate Charter, resolutions/decisions of the Board of Management, of the General Meeting of Shareholders and relevant provisions of law.

- CEO proactively discovered solutions for challenges and difficulties in the business operation and investment of PVOIL and of each affiliate. Took advantages of the favorable developments in the petroleum market with mostly upward trends in 2021 to bring profits to the Corporation in its core business, despite the complicated developments of the Covid 19 pandemic seriously affected the petroleum demand as well as the organization and administration of the whole system. CEO focused on promoting opportunities for business cooperation; cooperating in processing RON91 base gasoline from condensate with PVGas under the business cooperation contract brought some initial results; focused on promoting investment in petrol stations to develop and expand the retail system, invested in additional storage to meet business requirements. In particular, the PVOIL Nghi Son depot was connected with pipeline to Nghi Son Oil Refinery and will be put into operation from July 2022, helping to ensure the supply for Thanh Hoa province and surrounding areas.

- CEO proactively directed the review and reported to Board of Management to handle backlogged investment projects ((in Phú Quốc, Cambodian Condensate project, at PVOIL Cai Lan, PVOIL Phu My, PVOIL Phu Tho, biofuel projects ...), in 2021, competent authorities approved to stop the investment project to expand PVOIL Phu My's Condensate processing plant in Cai Mep, stop the investment project in Bonded petroleum depot, national reserve in Phu Quoc; actively implemented the restructuring and rearrangement of subsidiaries for the 2020-2025 period as approved by competent authorities; so far has completed the merger of PVOIL Hue into PVOIL Mien Trung, PVOIL Ha Giang into PVOIL Hanoi; actively implemented the divestment in enterprises according to the restructuring project and in 2021 has completed the divestment of all capital at Duong Dong Kien Giang Petroleum JSC.

- CEO submitted documents of explanation, implemented the recommendations in the Minutes of the Vietnam State Auditor who conducted inspection in 2021.

- CEO regularly supported and provided favourable conditions for Board of Supervisors to perform their duties.

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, appraisal reports on regular 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 their 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 functional departments to coordinate, provide information and documents to the Board of Supervisors, and the functional 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 carefully implemented the operation plan as approved by the General Meeting of Shareholders; complied with regulations, regular or

irregular requests of major shareholders; was always ready to perform inspection, report and clarification 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 prescribed contents 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.

IX. RECOMMENDATIONS

Based on the inspection and supervision results in 2022 and forecasts of oil prices and Covid-19 pandemic as well as the ongoing complicated, unpredictable global geopolitical situation, petroleum production and trading are still facing many difficulties and challenges. The Board of Supervisors has some recommendations as follows:

1. Continue to strengthen the review and assessment of the customer/customer's financial situation, taking into account the value of real assets in addition to liquidity and equity indicators to apply reasonable debt policies for each case. Regularly implement safety measures on unsecured credits to customers of 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.

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

3. 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 performance by each business line and product.

PART II

OPERATION PLAN FOR 2022 OF THE BOARD OF SUPERVISORS

Conducting the functions and duties of the Board of in accordance with the Law on Enterprises and the Corporate Charter, in 2022 the Board of Supervisors developed the operation plan as follows:

- Monitor and evaluate the implementation of the Resolution of the 2022 Annual General Meeting of Shareholders, the Corporate Charter, the Law on Enterprises and other legal documents;

- Monitor and supervise the implementation and compliance with the regulations, resolutions, decisions and directives from the major shareholder related to the Representative at the Corporation.

- Monitor/supervise and assess the financial status, capital balance and cash flow management; operational efficiency and liquidity; status of capital management and utilization; equity preservation and development; implementation status of quarterly business plans; monitor/supervise the implementation, progress and efficiency of investment projects.

- Coordinate with the competent authorities, inspection teams, and internal auditors of PVN and the Corporation in inspecting and supervising the management and administration of business activities at the Corporation.

- Coordinate 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.

- Review contracts and transactions with related persons under the approval authority of the Board of Directors or the General Meeting of Shareholders and make recommendations on contracts and transactions that require approval of the Board of Directors or General Meeting of Shareholders; supervise enterprises on the disclosure of information about related persons and transactions with related persons.

- Prepare report on activities in 2022 and operation plan for 2023 of the Board of Supervisors for submission to the General Meeting of Shareholders for approval and implementation; submit to the Annual General Meeting of Shareholders and major shareholders the following reports: Appraisal of financial statements in 2022, appraisal of annual reports on business activities and assessment report of management in 2022 of the Board of Management.

- Inspect 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.

- Review accounting books, accounting records and other documents of the company, the management and operation of the Corporation when necessary.

- Inspect/supervise the implementation of corporate restructuring and revamping according to the approved decisions/directives/resolutions.

- Review, inspect and assess the effectiveness and efficiency of PVOIL's system of internal control, internal audit, risk management and early warnings; provide recommendations and proposals to complete and improve the operational efficiency of the internal control system.

- Perform appraisal of quarterly and semi-annual financial statements.

- Appraise 2021 actual salary fund of Employees and Managers of the Corporation.

- Inspect/supervise the implementation and handling of recommendations of inspection teams of competent authorities at the Corporation.

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

- Prepare operation plan for 2023 and submit to the major shareholder for approval.

- Supervise year-end asset inventory activities at the affiliates.

- Supervise the development and assignment of PVOIL's 2023 business plan.

- Coordinate with the Corporation and PVOIL's representatives of capital, supervising representatives at the enterprises with capital contribution to inspect/supervise business operation status and the preservation of capital at the Branches and Subsidiaries with controlling capital through indirect contribution. When necessary, the Board of Supervisors will organize or coordinate with the Corporation to conduct direct inspection at the company.

- Attend specific, regular and irregular meetings of the Corporation to update the business operation status, promptly providing comments and recommendations to the Corporation.

- Perform other tasks as requested by the General Meeting of Shareholders, groups of shareholders and applicable regulations; propose the General Meeting of Shareholders to select independent audit provider, etc.

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