



ANNUAL REPORT 2023

PETROVIETNAM OIL CORPORATION

HCMC, March 2023

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PART I

GENERAL INFORMATION ABOUT PVOIL

1. General information

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

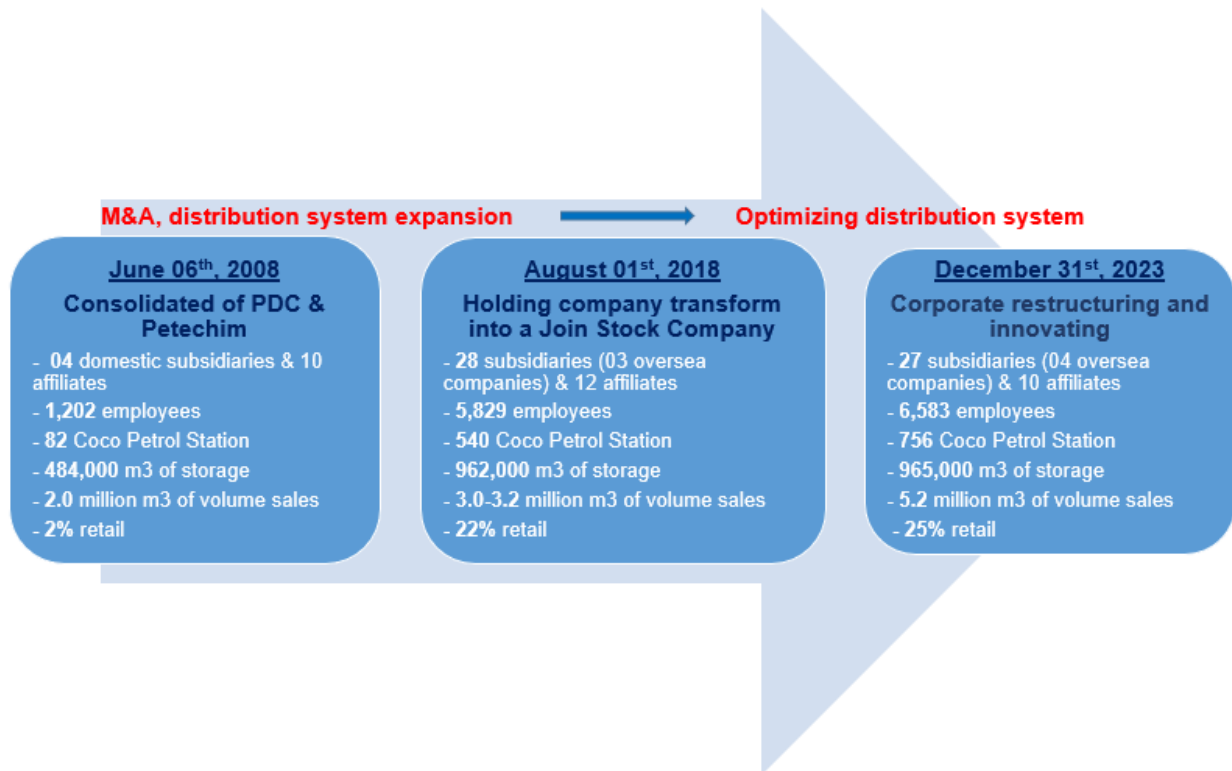
2. Establishment and Development history

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

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

Throughout nearly 16 years of operation under PVOIL brand, PVOIL has continuously expanded its domestic and international network through mergers and acquisitions. PVOIL has also continually restructured, rearranged and reformed itself with a view to optimizing the company's structure, concentrating on core activities to increase operational efficiency.

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



3. Business segments, facilities & location

1.1. Business segments



International trading of crude oil and petroleum products



Retailing and distribution of petroleum products



Processing of petroleum lubricants

+ *Entrusted import and export of crude oil and international oil trading*

PVOIL is the only company in Vietnam that conducts marketing and provides services for the export/sale of domestic crude oil and the crude oil of PetroVietnam, or its subsidiary exploited in the blocks overseas. With 40-year operation in this sector, PVOIL has safely and effectively sold a total of nearly 400 million tons of crude oil.

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

+ *Petroleum, lubricant and biofuel production*

Petroleum production: PVOIL produces and blends petroleum with a capacity of 600,000 m3/year petroleum produced from domestic condensate sources of PetroVietnam. The

gasoline produced are used for E5 RON 92 biofuel blending.

Biofuel production: PVOIL owns an E5 gasoline blending system nationwide with a total mixing capacity of over 1.5 million m³ of E5 gasoline/year. PVOIL currently distributes over 600,000 m³ of commercial E5 gasoline per year.

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

Petroleum distribution: PVOIL consistently maintains the second position, accounting for over 20% of the market share. In Laos, PVOIL Laos is the leader in terms of import volume, accounting for 18% market share, PVOIL Laos Trading is in the top 3 leading petroleum distribution enterprises.

During nearly 16 years of operation, through merger & acquisition (M&A) activities, PVOIL has strongly developed the distribution system nationwide and in Laos.

3.2 Location and distribution system

Domestic: PVOIL possesses a petroleum distribution network in 64/64 provinces and cities nationwide with nearly than 2,300 petrol stations, of which there are 756 petrol stations directly managed and operated by PVOIL (COCO) and 1,500 petrol stations that operated by dealers/agents/franchisees (DODO).

Overseas:

- **In Laos,** PVOIL Laos Trading operates a distribution network in 16 of 18 provinces/cities with 132 petrol stations.
- **In Singapore,** PVOIL Singapore specializes in international trading of crude oil and petroleum products.
- **In Cambodia,** PVOIL has a subsidiary called PVOIL Cambodia, that conduct a feasibility study on an investment project of building a condensate processing plant.

3.3 Business facilities



- 756 COCO petrol stations located in 56 provinces/cities.
- 14 petrol stations in Laos.



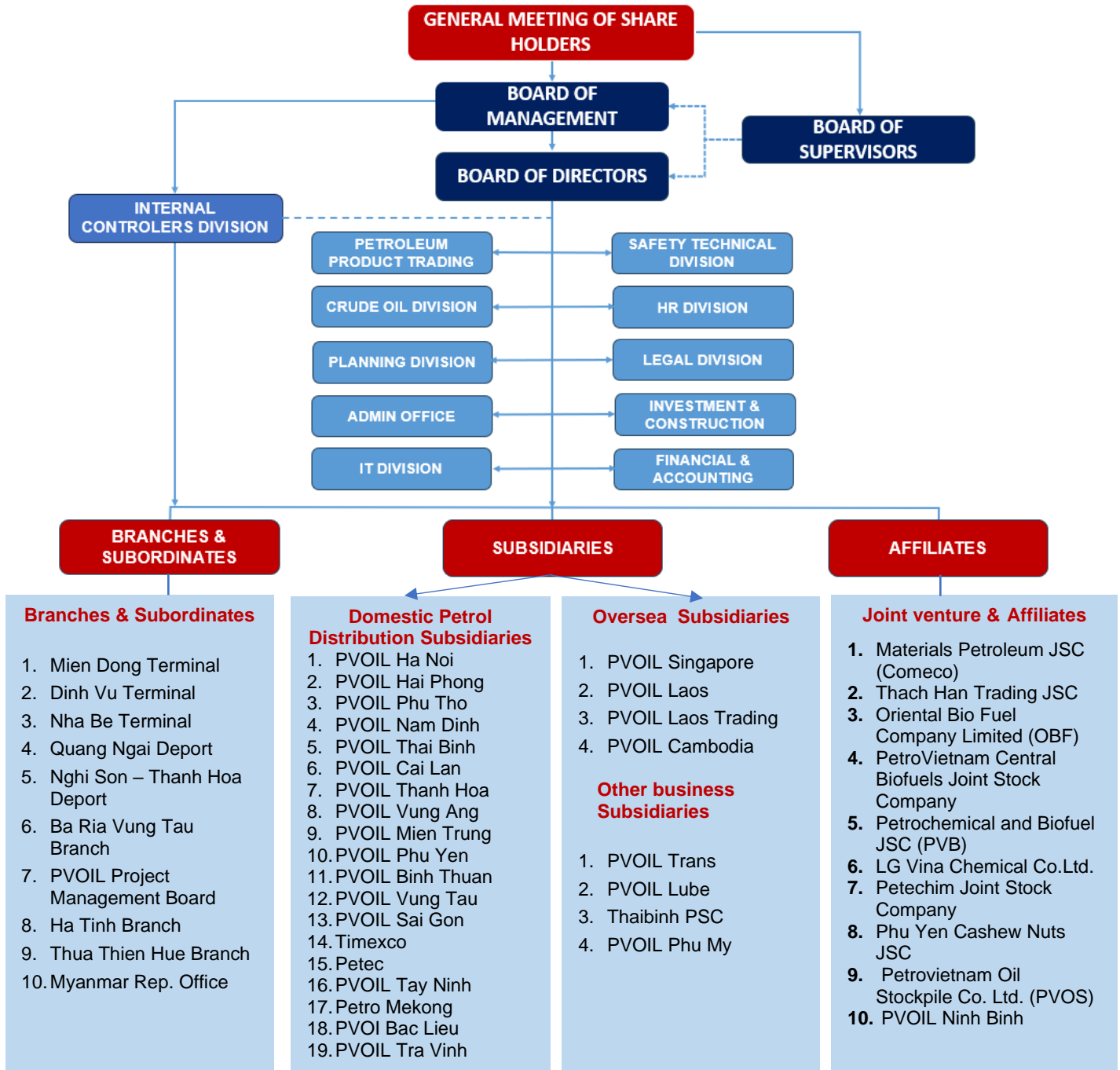
- 30 petroleum terminals/depots nationwide with a total capacity of 964,000 m³.
- In Laos, PVOIL owns 9 petroleum depots with a total capacity of over 10,300 m³.



- PVOIL owns tank trucks fleet of over 250 vehicles with a total capacity of nearly 5,000 m³ and
- 07 barges with a total capacity of 10,780 m³.

4. Corporate governance model

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



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

- List of subsidiaries: please refer to the audited financial statements (page 13-14)
- List of joint ventures and affiliates: please refer to the audited financial statements (page 15)

6. Board of Management, Board of Supervisors and Board of Directors

6.1. Board of Management (BOM)

PVOIL's BOM structure was approved by the Annual General Meeting of Shareholders 2023, including 07 members, 01 of which are independent members.

Mr. CAO HOAI DUONG

Chairman of Board of Management

Date of birth: January 30, 1972

Qualifications: Master of Techno-Chemistry

Working experience: He has over 30 years of contributing for the development of the oil and gas industry after graduating with an MBA degree in Australia. Took positions from senior experts and executives to manage and operate in important units of the OIL and Gas industry such as: Vice CEO of Nghi Son Refinery Joint Venture, CEO of PetroVietnam Fertilizer and Chemicals Corporation (Phu My Fertilizer Corp.). With sharp strategic thinking and extensive knowledge in many fields, he affirmed his experience, prestige, and role through each position with many important contributions. In January 2016, he was assigned by Vietnam Oil and Gas Group to PetroVietnam Oil Corporation - One Member Limited Company to hold the position of Board Member cum Chief Executive Officer of PVOIL. He continued to hold the position of Board Member cum Chief Executive Officer of PVOIL of PetroVietnam Oil Corporation - Joint Stock Company from August 1, 2018 to September 23, 2021. He was trusted by the BOM to hold the position of Chairman of the BOM of PVOIL from September 23, 2020. At the 2023 AGM, he continued to be elected to join the Board of Management for the 2023 - 2028 term and the BOM elected to hold the position of Chairman of the BOM.

He currently holds 284,639,404 shares of PVOIL (equivalent to 27.52% of charter capital). In which, 284,634,304 shares are capital representatives of PetroVietnam Group, and 5,100 shares are his own ownership.

Mr. DOAN VAN NHUOM

Board of Management Member cum Chief Executive Officer

Date of birth: November 07, 1963

Qualifications: Geotechnical Engineer

Working experience: He has nearly 37 years of contributing for the development of the oil and gas industry, took positions from senior engineer to manage and operate in important units of the OIL and Gas industry such as CEO of Southern Gas Trading JSC, CEO of Petrovietnam Fertilizer & Chemicals Corporation (PVFCCo), Chairman of BOM of Petrovietnam Transportation (PV Trans). He used to be Deputy CEO of Petroleum Distribution Company (PDC) - the predecessor of PVOIL and former General Director of PVOIL from October 2014 to December 2015. With extensive experience in the petroleum business, in September 2020, he was assigned by Vietnam Oil and Gas Group to PetroVietnam Oil Corporation to hold the position of Chief Executive Officer. He was also elected by the AGM as a member of the BOM of the Corporation from January 2021 to the present.

Mr. Doan Van Nhuom is holding 237,884,774 (equivalent to 23% of charter capital) shares representing the capital of Vietnam Oil and Gas Group in PVOIL and has no private ownership shares.

Mr. TRAN HOAI NAM

Board of Management Member (part-time member)

Vice President of HD Bank (full-time member)

Date of birth: August 14, 1965

Qualification: Master of Industrial Management

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

He currently has no ownership shares in PVOIL.

Mr. LE VAN NGHIA

Board of Management Member

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

Date of birth: July 5, 1966

Qualifications: Bachelor of Accounting

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

Mr. Nghia currently holds 103.428.762 shares in PVOIL (equivalent to 10% of the charter capital of PVOIL). In which, 103.428.162 shares are capital representatives of PetroVietnam Group and 600 shares are his own ownership.

Mr. NGUYEN MAU DUNG

Board of Management Member

Chairman of BOM of PVOIL Phu Yen, PVOIL Nam Dinh, PVOIL Vung Ang (concurrently position)

Date of birth: January 02, 1968

Qualifications: Master of business administration

Working experience: Joining PetroVietnam Group over 30 years ago, Mr. Nguyen Mau Dung has held many important management positions in major units and parent company of Vietnam Oil and Gas Group such as: Deputy CEO of PetroVietnam Construction JSC (PVC), Deputy CEO of PetroVietnam Gas JSC (PV GAS), Director of Trading Division of PetroVietnam group. In January 2021, he was assigned by Vietnam Oil and Gas Group and was elected by PVOIL's

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

Mr. Dung is holding 103,428,162 shares (equivalent to 10% of the charter capital of PVOIL) representing the capital of Vietnam Oil and Gas Group in PVOIL and has no private shares in PVOIL.

Mr. NGUYEN DANG TRINH

Board of Management Member cum Vice President

Date of birth: July 20, 1982

Qualifications: Bachelor of banking and financial,

Working experience: He has nearly 20 years of experience in the Oil and Gas industry, in the field of finance and accounting. He was trusted and appointed as Chief Accountant of PVOIL since December 2014 and has contributed to the process of completing accounting management at PVOIL. From August 1, 2018, he has been continuing to be the Chief Accountant of PetroVietnam Oil Corporation - Joint Stock Company. He was appointed as Deputy CEO of PetroVietnam Oil Corporation in June 2019. From April 27, 2023, he was elected a member of the BOM for the 2023-2028 term and continues to hold the position of vice president of PVOIL.

He is the capital representative of Vietnam Oil and Gas Group at PVOIL with 103,428,162 shares (equivalent to 10% of PVOIL's charter capital) and currently does not own shares in PVOIL.

MR. NGUYEN XUAN QUYEN

Independent Board of Management Member

Date of birth: August 06, 1956

Qualifications: Ship engineer

Working experience: More than 20 years working in the Oil and Gas industry, including 10 years working at PVOIL and its predecessor, before retiring (September 1, 2016), Mr. Quyen served as a member of the PVOIL Board of Members. From April 27, 2023, he was elected as an independent member of PVOIL's Board of Management for the term 2023-2028.

He currently does not own shares in PVOIL.

Mr. HANG ANH MINH

Independent Board of Management Member

Date of birth: November 10, 1975

Qualifications: Master of Project Management

Working experience: He has 25 years of experience in the Oil and Gas industry and held important positions such as Deputy Head of Investment at PetroVietnam Group, Deputy CEO of PETEC Trading and Investment Corporation (PETEC). From August 1, 2018, he has been trusted by the Annual General Meeting of Shareholders and elected as an independent board member of the Board of Management of PetroVietnam Oil Corporation – Joint Stock Company and has resigned since 27/4/2023.

At the time of resignation, he did not have a stake in PVOIL.

Mr. LE NGOC QUANG

Independent Board of Management Member

Date of birth: March 21, 1966

Qualifications: Master of Business Administration

Working experience: He has 30 years of working in the oil and gas industry in many different positions, with deep knowledge and experience in the fields of trade, project management His prestige, experience and positive contributions in the oil and gas industry are the basis for the General Meeting of Shareholders to trust and elected him to be an Independent Board Member of the Board of Management of PetroVietnam Oil Corporation - Joint Stock Company from August 1, 2018. He resigned since April 27, 2023.

At the time of resignation, he did not have a stake in PVOIL.

6.2. Board of Supervisors (BOS)

Mr. NGUYEN DUC KEN

Head of Board of Supervisors

Date of birth: September 25, 1964

Qualifications: Bachelor of banking and finance

Experience: He has nearly 29 years working in Vietnam Oil and Gas Group, including 17 years in the field of finance, accounting and financial management of oil and gas projects at the Group's Holding Company and at member units. He was the Head of PVOIL's Board of Supervisors for the 2018-2022 term, for the 2023-2028 term, he continues to be trusted and recommended by the Petroleum Group and was elected as Head of the Board of Supervisors.

He currently has no ownership shares in PVOIL.

Mr. PHAM THANH SON

Member of Board of Supervisors

Date of birth: August 1, 1968

Qualifications: Bachelor of Economics, Master of Business Administration

Experience: He has nearly 26 years working at PVOIL and its predecessor Petechim. He has been a controller of PVOIL since its establishment - June 6, 2008, and continued to be elected a member of the board of supervisors when PVOIL switched to operating under a joint stock company model from August 1, 2018 to the present.

He currently has no ownership shares in PVOIL.

Mr. LE VINH VAN

Member of Board of Supervisors

Date of birth: December 16, 1969

Qualifications: Bachelor of finance and accounting, Bachelor of English literature

Experience: He has more than 20 years working in the Oil and Gas industry in the fields of Commerce, Financial Accounting and control. With more than 15 years of experience working in control work at PetroVietnam Fertilizer and Chemicals Corporation (PVFCCo), he was introduced by Vietnam Oil and Gas Group and elected by PVOIL's 2023 Annual General

Meeting of Shareholders as a member of the Board of Supervisors of PVOIL term 2023-2028 from April 27, 2023.

He currently has no ownership shares in PVOIL.

Mrs. TRAN THI PHUONG

Member of Board of Supervisors

Date of birth: December 15, 1979

Qualifications: Bachelor of Business Accounting

Experience: she has 20 years of experience in the field of business and control. She has been a controller of PVOIL since its establishment (June 6, 2008) and continues to be recommended by Vietnam Oil and Gas Group - PVN to be elected a member of the Board of Supervisors when PVOIL converts to a joint stock company model. (from August 1, 2018). On April 27, 2023, at the 2023 AGM, she resigned from her position as a member of the Board of Supervisors to accept other tasks assigned by PetroVietnam.

At the time of her resignation, she had no ownership shares in PVOIL.

6.3. Board of Directors (BOD)

Mr. DOAN VAN NHUOM

President and Chief Executive Officer

Date of birth: November 07, 1963

Qualifications: Geotechnical Engineer

Working experience: He has 37 years of contributing for the development of the oil and gas industry. Took positions from senior engineer to manage and operate in important units of the OIL and Gas industry such as CEO of Southern Gas Trading JSC, CEO of Petrovietnam Fertilizer & Chemicals Corporation (PVFCCo), Chairman of BOM of Petrovietnam Transportation (PV Trans). Mr. Nhuom has many years working at PVOIL, he used to be Deputy CEO of Petroleum Distribution Company (PDC) - the predecessor of PVOIL and former General Director of PVOIL from October 2014 to December 2015. With extensive experience in the petroleum business, In September 2020, he was assigned by Vietnam Oil and Gas Group to PetroVietnam Oil Corporation to hold the position of Chief Executive Officer and joined the BOM of the Corporation from January 2021 to present.

Mr. Doan Van Nhuom is holding 237,884,774 shares (equivalent to 23% of charter capital) representing the capital of Vietnam Oil and Gas Group in PVOIL and has no private ownership shares.

Mr. NGUYEN ANH TOAN

Vice President

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

Date of birth: September 17, 1962

Qualifications: Master of Business Administration

Working experience: Joining the oil and gas industry since 1994, he took positions of deputy/head of Petroleum Sales Department of Petec Trading and Investment Corporation

Company, Head of Petroleum Products of Corporation before being appointed to the position of Deputy CEO of PetroVietnam Oil Corporation - One Member Limited Company from June 2011. From August 1, 2018, he has continued to participate in managing and operating PetroVietnam Oil Corporation - Joint Stock Company in the position of Deputy CEO. He retired to enjoy retirement benefits from July 1, 2023, and at the same time stopped holding concurrent positions at PVOIL's subsidiaries.

At the time of retirement, he had owned 1,700 shares in PVOIL.

Mr. VO KHANH HUNG

Vice President

CEO of PVOIL Cambodia, BOM's member of Petechim (concurrently position)

Chairman of the Board of Directors of PVOIL Laos & PVOIL Laos Trading (concurrently from July 1, 2023).

Date of birth: September 28, 1965

Qualifications: Master of Business Administration

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

He currently owns 2,200 shares in PVOIL.

Mr. NGUYEN TUAN TU

Vice President

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

Qualifications: Master of Business Administration

Date of birth: March 30, 1972

Working experience: He has over 30 years of experience working in the oil and gas industry, holding many management positions in the field of finance and accounting. Joining PetroVietnam Trading Joint Stock Company (Petechim) - predecessor of PVOIL since May 2006 as Chief Accountant. From June 2011, he was appointed as Deputy CEO of PetroVietnam Oil Corporation - One Member Limited Company. Currently, he is continuing to promote his role and duties in this position when PVOIL switched to operate under the Joint Stock Company model since August 1, 2018.

He currently owns 1,000 shares in PVOIL.

Mr. NGUYEN DANG TRINH

Vice President

Date of birth: July 20, 1982

Qualifications: Bachelor of banking and financial

Working experience: He has nearly 20 years of experience in the Oil and Gas industry, in

the field of finance and accounting. He was trusted and appointed as Chief Accountant of PVOIL since December 2014 and has contributed to the process of completing accounting management at PVOIL. From August 1, 2018, he has been continuing to be the Chief Accountant of PetroVietnam Oil Corporation - Joint Stock Company. He was appointed as Deputy CEO of PetroVietnam Oil Corporation in June 2019. From April 27, 2023, he was elected a member of the BOM for the 2023-2028 term and continues to hold the position of Vice President of PVOIL.

He is the capital representative of Vietnam Oil and Gas Group at PVOIL with 103,428,162 shares (equivalent to 10% of PVOIL's charter capital) and currently does not own shares in PVOIL.

Mr. VU HOAI LAM

Vice President

Chairman of BOM of PVOIL Ha Noi (concurrently until August 7, 2023)

Date of birth: April 22, 1971

Qualifications: Master of Commercial Economics

Working experience: With many years of working experience at prestigious international organizations, in May 2011 he was appointed by PetroVietnam Group to hold the position of Deputy CEO of PetroVietnam Oil Corporation - One Member Limited Company. He continued to hold this position after PVOIL switched to operate under the model of Joint Stock Company - from August 1, 2018. He resigned from PVOIL on August 7, 2023.

At the time of resignation, he did not have a stake in PVOIL.

Mr. HOANG DINH TUNG

Vice president

Member of BOM of PVOIL Singapore (concurrently position)

Date of birth: December 3, 1978

Qualifications: Bachelor of Accounting - Auditing

Working experience: He has 24 years of experience in the petroleum business at PVOIL and its predecessor Petechim, holding positions ranging from Sales Specialist, Deputy Sales Department, Deputy Head of Crude Oil Import-Export Department and Oil products/Deputy Head of Oil Products Sales Department, Director of PVOIL Vung Tau and Head of Oil Products Sales Department. He was appointed by the BOM to hold the position of Deputy General Director of the Corporation from August 15, 2023 to the present.

He currently owns 1,000 shares in PVOIL.

Mrs. LE THI THU HUONG

Vice president

Date of birth: October 9, 1975

Qualifications: Master of Business Administration; Bachelor of English, Bachelor of French

Working experience: She has held the positions of Specialist, Deputy Manager of Management department of Representative Offices abroad of Hanoi Department of Trade; Specialist of the Department of Trade and Services of Ministry of Planning and Investment;

Head of Law and International Cooperation Division of PV Power; Deputy Director of Development Investment of PetroVietnam and Vice President of PVFCCo (from March 2013 - August 2023). She was introduced by PetroVietnam and appointed to hold the position of Vice President of PVOIL from August 15, 2023.

She currently does not own shares in PVOIL.

Mr. NGUYEN NGOC NINH

Chief of Accountant

Date of birth: October 07, 1975





Qualifications: Bachelor of Accounting & Financial University

Working experience: He has nearly 20 years of experience in the Oil and Gas industry, in the field of finance and accounting. He used to hold various positions as Finance and Accounting Manager, Investment Manager, and Transaction Manager of PetroVietnam Financial JSC before joining PVOIL in November 2011 as a Deputy Director of Accounting & Financial Division. In October 2017, he was appointed as director of Internal Control Division of PVOIL. With competence and experience in financial management, accounting, auditing and debt management, from September 9, 2019, he has been appointed and held the position of Chief Accountant of the Corporation.

Currently, he does not have a stake in PVOIL.

7. Development direction

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

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

Development objectives for the period 2021-2025

❖ Overall objectives

- ✔ PVOIL is the only company that conducts marketing and provides services for the export and trading of crude oil of PetroVietnam and provides crude oil raw materials for Dung Quat Refinery from domestic sources.
- ✔ The growth of sales volume will reach over 5% per year, keeping the market share stable.
- ✔ Continuing to perfect the distribution system in the direction of increasing sales into direct consumption channels, striving for the proportion of retailers and B2B customers to reach at least 50% by 2025.

❖ Detail goal

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

7.1. Business activities



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



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



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

7.2. Corporate restructuring and innovating

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

7.3. Improvement of corporate governance and development of human resources

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

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

8. Risks may affect PVOIL's production and business activities.

Interest rate risk: Interest rates are an important financial indicator that significantly affects PVOIL's operations due to part of its working capital and investment as loans. In 2022, short-

term lending rates in the market increased sharply, especially in the last months of the year. However, with a good cash flow and high trust with banks, PVOIL always manages to arrange loans with preferential interest rates, helping to reduce operating costs.

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

Oil price risk: The price of crude oil and petrol in the world is constantly fluctuating, unpredictable, complicated and depends on many factors such as geopolitical situation; Economic situation in countries like USA, China, Europe; changes in global demand and supply as well as financial and market sentiment. In response, PVOIL pays special attention to analyzing, forecasting, closely monitoring market movements and having flexible operating policies.

Policy risk related to Government's control on petroleum price: Business activities of the Company are closely related to the global crude oil price and petroleum price. The Government's management of petroleum distribution sector in recent years has shown signs of improvement in transparency and market access, but there are still some potential risks for enterprises (price formula, price adjustment range; use other regulatory tools such as stabilization funds and taxes; 20-day circulation inventory requirement; setting cost norms and profit norms in the petroleum distribution)

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

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

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

Other risks: In addition to the risks mentioned above, PVOIL's operations can be affected by natural disasters such as earthquakes, epidemics, floods, etc. which may cause damage to its assets as well as affect the business operations of PVOIL.

PART II

CORPORATE GOVERNANCE

1. Board of Management (BOM)

1.1. Members and structure of Board of Management

PVOIL's BOM structure approved by the 2023 AGM includes 7 members, including 01 independent member, information please see Section 6.1, Part I of this report.

1.2. The subcommittees under Board of Management

The BOM did not establish subordinate sub-committees. According to the organizational structure of the Corporation, BOM established an Internal Control Committee directly under the BOM and was assigned the function and task of advising and assisting the BOM in the inspection and supervision of system operations. Implementing Decree No. 05/2019/ND-CP dated November 22, 2019 of the Government on internal audit, the Board of Management assigned additional tasks of performing internal audit work to the Internal Audit Committee, and at the same time issued The Corporation's internal audit regulations and internal audit process serve as the basis for implementing this activity.

1.3. Activities of Board of Management in 2023

- ✓ The BOM organized the development and promulgation of the Work Program in 2023 of the PVOIL's BOM according to Decision No. 12/QD-DVN dated January 11, 2023 in order to concretize the work contents including strategic tasks, medium and long-term development orientation for the Corporation; Regular tasks associated with the annual production and business plan assigned by the AGM and the implementation of leadership and management functions in all aspects of the Corporation's operations. Every 6 months, the BOM organizes to evaluate the results of implementing the Work Program
- ✓ The BOM organizes and assigns tasks to each Board Member in accordance with the strengths, professional capabilities and work experience of each member.
- ✓ Each member of the BOM always upholds the spirit of responsible and democratic work; Quickly and promptly handle issues and suggestions/recommendations of the CEO; Issue resolutions and decisions in accordance with authority. Resolutions and decisions of the BOM comply with the majority principle, based on the results of direct voting at meetings or voting through ballots to collect opinions from members of the BOM; Fully comply with the provisions of the Corporation's Charter of Organization and Operation and the Enterprise Law
- ✓ During the year, the BOM conducted 13 meetings, issued 99 resolutions to manage/direct PVOIL's activities in all fields; Organize the timely monitoring and evaluation of the results of implementation of the resolutions/decisions of the AGM and BOM; Organize and supervise the activities of the CEO and other managers according to the Charter; Organize and directly participate in comprehensive monitoring of the production and business of units in the PVOIL system, directing the units to overcome shortcomings and weaknesses if any.
- ✓ In 2023, PVOIL leaders exceeded the production and business plan targets and other key tasks according to the resolution of the 2023 AGM in the context of global economic recession and inflation, fluctuating world oil prices unpredictably, domestic supply is

scarce at some times due to Nghi Son Refinery temporarily suspending operations for maintenance.

- ✓ Successfully held the 2023 AGM and fully implemented the information disclosure regime for public companies.
- ✓ At the end of 2023, the BOM held a meeting to review and seriously evaluate the leadership and direction as well as the results of the performance of functions and tasks of BOM; Evaluation of production and business results in 2023; Closely review on overcoming limitations and shortcomings that have been concluded or pointed out in previous reviews by competent authorities.

1.4. BOM's meetings in 2023

No	Date	Attendees	Content	Result
1	06/01/2023	7/7	<ol style="list-style-type: none"> 1. Assign the 2023 production and business plan to the Holding company and member units. 2. Consider the principles of determining the starting price for offering PVOIL's capital at PVChem. 3. Approval of the 2023 Work Program of the BOM. 4. Approve principles for paying bonuses to Managers from the BOD bonus fund in 2021. 5. Assign tasks to the BOM's members. 	The meeting reached consensus on the contents discussed.
2	08/02/2023	7/7	<ol style="list-style-type: none"> 1. Report on January's production and business results and key tasks for the following months of the Corporation. 2. Consider the investment plan to buy shares from other shareholders to convert PVOIL Thanh Hoa into a One Member Limited Liability Company. 3. Review policies on human resources work at member units. 	The meeting discussed and assigned the Secretary to get written opinions of the BOM related to the recommendations of the CEO to submit to the BOM.
3	01/03/2023	7/7	Review and update the situation related to Biofuel projects with capital contribution from the Corporation.	The meeting agreed on the next steps for biofuel projects and assigned the CEO of the Corporation to implement them.
4	27/04/2023	7/7	Election of Chairman of the BOM of PetroVietnam Oil Corporation – JSC for the term 2023 - 2028.	100% of members attending the meeting elected Mr. Cao Hoai Duong to hold the position of Chairman of the BOM of PetroVietnam Oil

No	Date	Attendees	Content	Result
				Corporation - JSC for the term 2023 - 2028.
5	11/05/2023	6/7	<ol style="list-style-type: none"> 1. Report on April's production and business results and key tasks for the following months of the Corporation. 2. Ernst & Young Vietnam reports on overall consulting on production and business activities of PVOIL Laos and PVOIL Lao Trading 	The meeting discussed the presented contents. Suggest, criticize and request Ernst & Young Vietnam to complete the consulting report on the activities of PVOIL Laos and PVOIL Lao Trading.
6	06/06/2023	6/7	<ol style="list-style-type: none"> 1. Report on production and business results in May and key tasks of the Corporation in the following months. 2. Consider supplementing the 2023 investment plan for the Holding Company -PVOIL. 3. Report and update the implementation of restructuring work of the Corporation and its member units. 4. Report and update the implementation status of Digital Transformation and ERP implementation at the Corporation 	The meeting reached consensus on the contents discussed.
7	30/06/2023	7/7	Discussing the plan to hire PVOIL Thanh Hoa to manage and operate Nghi Son Petroleum Storage.	The BOM agreed to the Corporation's policy of hiring PVOIL Thanh Hoa to manage and operate Nghi Son Petroleum Storage
8	12/07/2023	7/7	<ol style="list-style-type: none"> 1. Evaluation of implementation results in the first 6 months of the year - 2023 work program of the BOM of the Corporation. 2. Consider the situation of overcoming special financial supervision at member units. 3. Consider the policy of introducing reputable audit service providers to member units 	<p>The BOM discussed the work completed in the first 6 months of the year and set goals that need to be focused on in the last 6 months of 2023.</p> <p>Assign the CEO to implement solutions to overcome the situation of special financial supervision at member units.</p>

No	Date	Attendees	Content	Result
9	07/09/2023	6/7	<ol style="list-style-type: none"> 1. Report on production and business results in August and key tasks of the Corporation in the following months. 2. Update and review the implementation of the Restructuring of the Holding Company and its member units. 3. Update and review the situation of handling Biofuel projects with capital contribution from the Corporation. 4. Update and review the implementation of equitization settlement of the PVOIL Holding company and Petec. 	The meeting reached consensus on the contents discussed.
10	02/11/2023	7/7	<ol style="list-style-type: none"> 1. Report on production and business results in October and key tasks of the Corporation in the following months. 2. Consider the recommendations of the BOD to the Corporation's BOM regarding additional plans for PVOIL Laos, PVOIL Vung Ang and submit for approval the feasibility study report of the Petec Hai Phong Storage Expansion project. 3. Update and review the implementation of the Restructuring of the Holding Company and its member units. 4. Report on the assessment and recommendations of the PVN Internal Audit team on PVOIL's operations. 5. Report on inspection conclusions of the Ministry of Planning and Investment on PVOIL's investment and bidding work in the period 2015 - 2021. 	The meeting reached consensus on the contents discussed; Assign the CEO of the Corporation to absorb the recommendations of the inspection teams.
11	23/11/2023	7/7	<ol style="list-style-type: none"> 1. Discuss the orientation of assigning production and business plans for 2024 to member units. 2. Consider the BOD's recommendations on: (i) Increasing charter capital for PVOIL Trans; (ii) Update feasibility study report of Petec Hai Phong Terminal Expansion project. 	The meeting discussed and assigned the Secretary to get written opinions of the BOM related to the recommendations of the CEO to submit to the BOM.

No	Date	Attendees	Content	Result
12	18/12/2023	6/7	<ol style="list-style-type: none"> 1. Update the status of handling Biofuel projects with capital contribution from the Corporation. 2. Consider assigning production and business plan targets for 2024 to the Holding Company and member units. 3. Summary of the 2023 work program of the BOM of PetroVietnam Oil Corporation - Joint Stock Company. 	<p>The meeting discussed and assigned tasks to the CEO of the Corporation: (i) implementing work related to biofuel projects; (ii) organize the delivery of the 2024 plan to member units.</p> <p>The general review meeting of the BOM's activities in 2023 was organized methodically, in compliance with the provisions of the Enterprise Law and the Corporation's internal regulations.</p>
13	28/12/2023	6/7	<ol style="list-style-type: none"> 1. Report, update, and adjust the economic efficiency of the 40,000 m3 capacity expansion project of Petec Hai Phong Petroleum Storage. 2. Discuss the 2024 work program of the BOM of PetroVietnam Oil Corporation - Joint Stock Company. 	<p>The meeting discussed the contents presented and agreed upon the 2024 work program of the BOM of the Corporation.</p>

1.5. Activities of the Board of Management independent members

At the 2023 AGM of the Corporation held on April 27, 2023, there were 5/7 members of the BOM finishing their 5-year term (2018 - 2023), including 02 independent members of the BOM, namely Mr. Hang Anh Minh and Mr. Nguyen Ngoc Quang. The AGM organized the election of 5 members of the BOM for the new term, in which Mr. Nguyen Xuan Quyen was elected as an independent member of the BOM for the 2023-2028 term.

From January 1, 2023, to April 27, 2023, 02 Independent Members were assigned tasks as follows:

- 🕒 Mr. Hang Anh Minh: Monitoring and supervising the activities of 08 PVOIL's Units including: PVOIL Thanh Hoa, PVOIL Nghi Son, PVOIL Vung Ang, Petec, PVOIL Tra Vinh, PVOIL Bac Lieu, PVOIL Laos, PVOIL Laos Trading.
- 🕒 Mr. Le Ngoc Quang: Monitoring and supervising the activities of 08 PVOIL's Units including: PVOIL Hai Phong, PVOIL Dinh Vu, PVOIL Thai Binh, Thai Binh PSC, PVOIL Binh Thuan, PVOIL Phu My, PVOIL Nha Be, Timexco.

From April 27, 2023, Mr. Nguyen Xuan Quyen - Independent member has been assigned to: In charge of the fields of engineering, technology, safety, health and environment, production throughout the system; Monitor and supervise the operations of 08 PVOIL units including:

PVOIL Hai Phong, PVOIL Dinh Vu, PVOIL Thai Binh, Thai Binh PSC, PVOIL Phu My, PVOIL Nha Be, Timexco.

In 2023, the independent members of BOM properly performed their assigned responsibilities and tasks as stipulated in the Charter of organization and operation of the Corporation, fully perform the tasks assigned by the BOM; regularly participated in BOM meetings, providing opinions and voting independently on issues subject to decision by the BOM; participated in supervising and directing the activities of Executive Board and activities of the Subsidiaries as assigned by BOM.

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

Training courses on corporate governance that members of the BOM, members of the BOS, CEO, other managers and Company Secretary have participated in in 2023 are specifically as follows:

- 🕒 February 2023: 02 PVOIL leaders participated in the course "Leading Leaders in a Changing World" organized by Fulbright University Vietnam Company Limited.
- 🕒 March 2023: PVOIL organized training on "Securities Law and Information Disclosure for PVOIL Leaders and Employees" for managers and officials related to governance and information disclosure throughout the country. Corporations.
- 🕒 November 2023: Mr. Nguyen Dang Trinh - Deputy General Director participated in the Board Member Certification training program integrating Environmental and Social Governance (DCP-iEGS).

2. Board of Supervisors (BOS)

2.1. Information on members of Board of Supervisors

On April 27, 2023, the AGM of PetroVietnam Oil Corporation - Joint Stock Company elected 3 members of the BOS to work full-time. For information, please see Section 6.2, Part I of this report.

2.2. Activities of the Board of Supervisors

- ✔ Perform the task of monitoring and supervising production and business activities, supervising the compliance with regulations on petroleum business, supervising capital management and investment work at member units making financial investments outside the enterprise, capital preservation and development work.
- ✔ Supervise the implementation of the Charter and resolutions of the AGM, the implementation of regulations, resolutions, decisions and directives of superior management agencies, the implementation of recommendations at Minutes of inspection and audit teams.
- ✔ Appraise the completeness, legality and honesty of the Corporation's quarterly/annual financial reports and other planned inspection and supervision tasks and work.

2.3. Evaluate the activities of the BOS

- ✔ The BOS fully and seriously implemented the contents according to the operating plan approved by the 2023 AGM, complying with the provisions of the Enterprise Law and the Corporation's Charter, at the AGM, all members of the BOS attended, reported fully on the contents according to regulations and always had comments, assessments and

recommendations to the AGM in order to continuously improve management, inspection and supervision at the Corporation.

- ✓ The Board of Supervisors regularly monitored, supervised and evaluated, and has given a number of consulting opinions, warnings and recommendations on shortcomings in the management and administration of the Holding Company and its subsidiaries.

2.4. Contents of meetings of the BOS

The BOS organized regular, extraordinary meetings to elect the Head of the BOS for a new term, assign tasks, approve inspection and supervision plans, evaluate financial statements every 6 months/year, and approve supervision report, salary appraisal report and summary report on the performance of individual and collective tasks of the BOS.

2.5. Results of monitoring the Corporation's operations and finances

Operating activities: During the year, despite being heavily affected by adverse oil price movements, PVOIL made great efforts to deploy production and business activities and exceeded the targets approved by the AGM.

Business restructuring and innovation: special attention and promotion in line with the orientation approved by 2023 AGM.

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

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

3. Transactions, remunerations and benefits of the BOM, BOD, BOS and other managers in 2023

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

a) Salary, job-related allowances:

Unit: million VND

No.	Title	Amount members (person)		Salary, allowances (Mil. VND)		Paid/Planned
		Planned	Achievement	Planned	Paid	
1	Full-time BOM (including 02 members of BOM cum CEO & Vice President)	6	5.67	6,892	7,808.91	113.30%
2	BOS (Full-time)	3	2.83	2,920	3,300.35	113.02%
3	BOD and other managers (including Vice Presidents and Chief Accountant)		4.81	N/A	6,140.74	

No.	Title	Amount members (person)		Salary, allowances (Mil. VND)		Paid/Planned
		Planned	Achievement	Planned	Paid	
	Total		13.31		17,250	

b) Remunerations of nonspecialized BOM:

Unit: million VND

No.	Title	Amount	Remuneration per month	Total remuneration fund plan for 2023	Total remuneration paid in 2023
1	BOM's member	12	15	180	180
2	Independent BOM's members (*)	8.13	15	0	122
3	BOS's members (**)	2.13	10	0	21.3

(*) Additional independent members of the BOM elected from April 27, 2023 receive concurrent allowances.

(**) The BOS has 01 member working full-time at another unit, receiving concurrent remuneration at PVOIL during the period from April 27, 2023 to June 30, 2023; From July 1, 2023 onwards, receive full-time salary.

(For details, please see the 2023 financial statement of the PVOIL's Holding company)

3.2. Share transactions by internal shareholders: none.

3.3. Contracts or transactions with internal shareholders

- ✓ Transactions signed or performed during the year between the Corporation and Its Internal persons: No transactions.
- ✓ Transactions signed or performed during the year between the Corporation and persons affiliated with Internal Persons: During the year, PVOIL had transactions with (i) a number of companies where Internal Persons of PVOIL hold/concurrently hold managerial positions and (ii) with Vietnam Oil and Gas Group (PVN) and its branches/affiliated units/subsidiaries – are related parties of the BOM's members representing PVN's capital at PVOIL. For details, please see Appendix 02 - Report on corporate governance in 2023 and Note 40 - Audited financial statements in 2023 of PVOIL.
- ✓ Transactions signed or performed during the year between subsidiaries, companies over which the Corporation holds control and Internal Persons: no transactions.
- ✓ Transactions signed or performed during the year between subsidiaries, companies over which the Corporation holds control and persons affiliated with Internal Persons: During the year, some subsidiaries of PVOIL had transactions with companies where the Internal Persons of PVOIL hold/concurrently hold managerial positions. For details, please see Appendix 03 – Report on corporate governance in 2023.

3.4. Assessing the Implementation of regulations on corporate governance

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

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

PART III

BUSINESS PERFORMANCE IN 2023

1. General background

In 2023, the global crude oil and petroleum prices continued to fluctuate unpredictably due to economic recession, high inflation, tightening monetary policy, and prolonged interest rate increases by the FED and ECB, leading to a decline in consumer demand in many leading economies, negatively affecting economic growth. In particular, China's slow growth after opening up affected oil consumption demand and restrained the increase in oil prices.

The average Brent DTD crude oil price reached 82.62 USD/barrel in 2023, decreased 18% compared to the average crude oil price in 2022 (101.2 USD/barrel) and increased 18% compared to the planned crude oil price in 2023 (70 USD/barrel).

Domestically, economic growth slowed down due to the impact of the world economy, specifically: export turnover was estimated to decrease by 3.5%, imports were estimated to decrease by 4.2%; Bad debt tended to increase; Potentially risky real estate and corporate bond markets; Macroeconomic stability was not really solid; The resilience of many businesses has reached a critical level; Production and business activities continued to face many difficulties, economic sectors have not shifted strongly in increasing productivity, especially the industrial and service sectors; Self-reliance and resilience were still limited... However, Vietnam was still a bright spot in the general economic picture with GDP estimated to increase by 5.05%, 1.5 times higher than the 2.9% growth rate of the global economy and among the countries with the highest growth rate in the world in 2023.

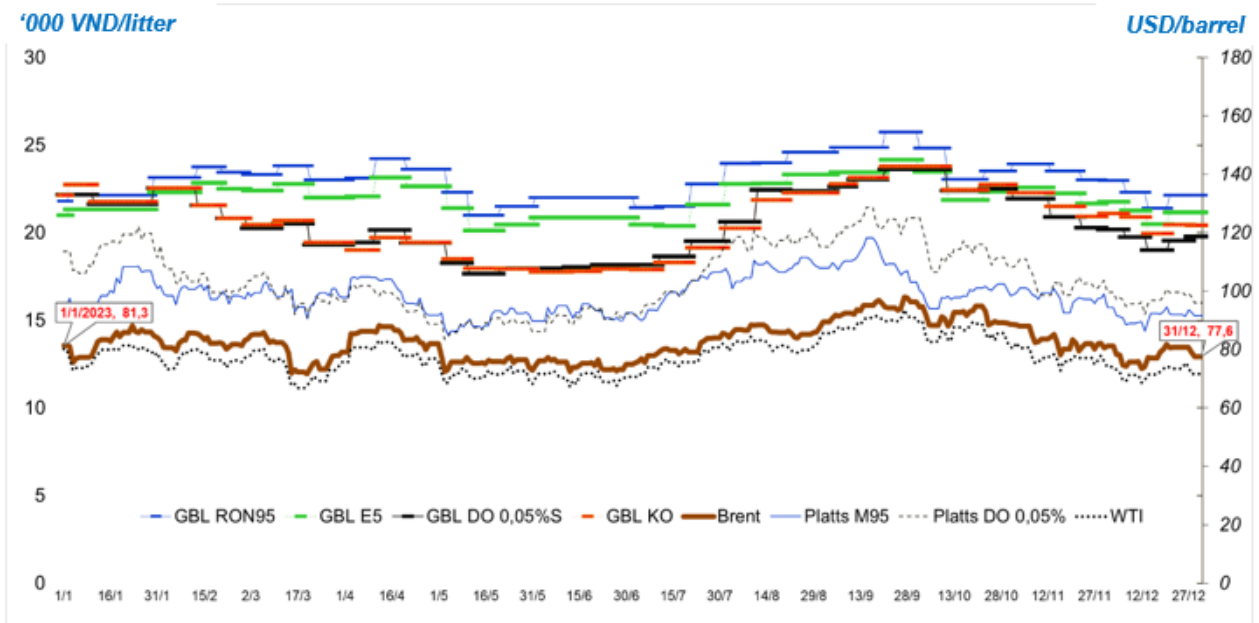
In business activities, the Government continued to operate according to Decree 83/2014/ND-CP and Decree No. 95/2021/ND-CP with a new price formula applied from the end of February 2023. On November 17, 2023, the Government issued Decree No. 80/2023/ND-CP amending and supplementing a number of regulations on petroleum business, continuing to adjust the price formula and shortening the time for operating gasoline prices from 10 days to every 7 days. The Environmental Protection Tax applied in 2023 is 2,000 VND/liter for gasoline (except E5) and 1,000 VND/liter for oil.

Vietnam's total petroleum consumption in 2023 was estimated at about 26 million m³/ton of petroleum of all types (excluding jet fuel). The supply of 02 domestic refineries met about 70% of total market demand. During the year, there were some times when supply was scarce when Nghi Son Refinery stopped maintenance and demand increased at power plants (April & May).

The petroleum distribution market has become increasingly healthier after many efforts by the Government to control the market and fight smuggling. In 2023, the Government continued to implement many measures to inspect and supervise business activities across the country, withdrew the licenses of 07 main distributors and handled many violations related to licensing and organizing business activities. By the end of 2023, the whole country had 34 main distributors and more than 330 active petrol distributors.

As of December 31, 2023, the retail price of petroleum increased from 180-340 VND/liter, while the price of DO oil decreased by 2,370 VND/liter compared to the beginning of 2023.

Movements of world oil prices and the State's retail price management in 2023 are as follows:



In the context of a challenging market, PVOIL thoroughly grasped and implemented drastically throughout the system the key missions of the year, specifically: 1) *Focusing on directing the implementation of the 2023 Production and Business Plan on the basis of maximizing the chain of production, transportation and distribution of crude oil and petroleum products with units in the Vietnam Oil and Gas Group, increasing business output on all 3 distribution channels;* 2) *Focus on developing petrol station system and implementing digital transformation;* 3) *Continuing to drastically implement corporate restructuring;* 4) *Actively adapt to the energy transition.*

2. Production and business performance

2.1. Production targets

The results for each field are as follows:

No.	KPI	Unit	2022 Actual	2023		Comparison	
				Plan	Actual	YOY	Plan
1	Exporting/selling domestic crude oil and importing crude oil for Dung Quat Refinery	1,000 tons	10,404	9,185	10,642	102%	116%
-	Exporting/selling (including selling to BSR)	1,000 tons	8,642	8,058	8,483	98%	105%

No.	KPI	Unit	2022 Actual	2023		Comparison	
				Plan	Actual	YOY	Plan
-	Importing crude oil for BSR	,,	1,762	1,127	2,159	123%	192%
2	Production of petroleum, lubricant	1,000 m3/tons	601	484	676	112%	140%
	<i>In which: E5 gasoline</i>	1,000 m3	598	480	612	102%	128%
3	Petroleum trading	1,000 m3/tons	4,048	3,300	5,242	129%	159%
	<i>Retail proportion (*)</i>	%	26.1%	28.4%	24.5%		

(*) In 2023, retail channel sales output grown well compared to plan. However, due to stronger growth in other sales channels' output, the retail proportion decreased.

2.1.1 Import and export of crude oil

PVOIL safely and effectively sold the entire volume of crude oil of Vietnam Oil and Gas Group and other field owners exploiting on Vietnam's continental shelf with an output of 8.48 million tons, completing 105% of the year plan and down 2% over the same period.

PVOIL also ensures adequate and timely supply of all crude oil for Dung Quat Refinery with a total output of 7.7 million tons. Of which, 5.5 million tons are supplied from domestic sources and 2.2 million tons from imported sources.

2.1.2 Production of petroleum, lubricant

Production output in the year reached 676 thousand m3/ton, completing 142% of the plan and increasing by 12% over the same period, mainly E5 RON92 biofuel. During the year, PVOIL received the entire amount of condensate under the Joint Venture Agreement with PetroVietnam Gas Joint Stock Corporation (PV Gas) to produce E5 blend base petroleum, and coordinate with BSR to implement a plan to blend RON95 gasoline from RFCC Naptha and RON 97 gasoline sources, helping increase output, supplement supply in times of market scarcity and contribute significantly to the year's profit.

2.1.3 Petroleum trading

In the context of constantly fluctuating oil prices, domestic supply was in short supply at some times, thanks to the synchronous application of business solutions, making the most of market opportunities, and promoting good supply chains of raw materials - production - storage, distribution in the field of crude oil and oil products with units in the industry, PVOIL's 2023 petroleum business output continued to maintain impressive growth.

System-wide consumption output reached more than 5.2 million m3, completing 159% of the yearly plan and growing 29% over the same period, accounting for 20% of the domestic market share.

2.2. Financial performance

Unit: VND billion

No.	KPI	2022 Actual	2023		Comparison	
			Plan	Actual	YOY	Plan
I	Consolidated					

No.	KPI	2022 Actual	2023		Comparison	
			Plan	Actual	YOY	Plan
1	Total revenue	104,833	50,000	103,639	99%	207%
2	Profit before tax	912	600	798	88%	133%
3	Profit after tax	723	480	621	86%	129%
4	Contribution to State budget	6,706	6,400	9,508	142%	149%
II	Holding company					
1	Revenue	73,742	33,000	82,560	112%	250%
2	Profit before tax	657	500	611	93%	122%
3	Profit after tax	555	400	501	90%	125%

Total consolidated revenue for the whole year reached VND 103,639 billion, completing 207% of the plan and increasing by 99% over the same period.

Consolidated profit before tax reached 798 billion dong, completing 133% of the plan and equivalent to 88% year-over-year; profit before tax of Holding company reached 611 billion dong, completing 122% of the plan and equivalent to 93% year-over-year.

The consolidated contribution to state budget for the year (does not include data on budget payments of overseas units to the host country's government) reached VND 9.508 billion, achieving 149% of the year's target and equivalent to 142% year-over-year.

In the year 2023, PVOIL has exceeded all the targets of the production and business plan assigned by the General Meeting of Shareholders, in which important targets include petroleum sales volume, revenue, and profit have all completed far exceeding the annual plan. These results are obtained because PVOIL has responded well to fluctuations in oil prices and supply in the market, synchronously applied business solutions, utilized market opportunities, and well promoted chain linking raw materials - production - storage, distribution in the field of crude oil and oil products with other companies in PetroVietnam.

3. Organization and personnel

3.1. Introduction of Board of Directors

Please see section 6.2 part I of this report

3.2. Changes in the Board of Directors

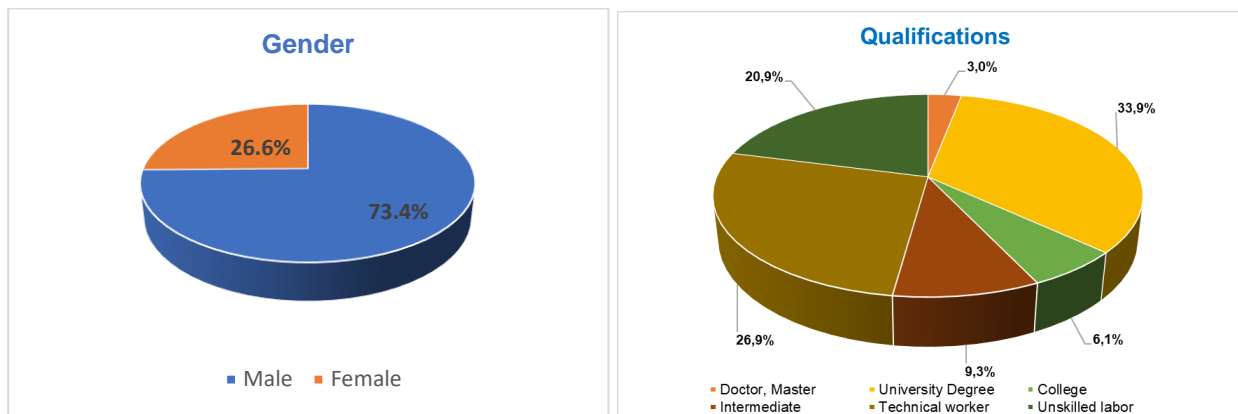
In 2023, PVOIL's BOD personnel will change as follows:

TT	Họ tên	Vị trí	Ngày bổ nhiệm, miễn nhiệm
1	Nguyen Anh Toan	Vice President	Retired from 01/7/2023
2	Vu Hoai Lam	Vice President	Relieved of duty from 08/8/2023
3	Hoang Dinh Tung	Vice President	Appointed from 15/8/2023
4	Le Thi Thu Huong	Vice President	Appointed from 15/8/2023

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

3.3.1. Labors

The total number of employees of PVOIL as of December 31, 2023 was **6,583** people. Human resource structure as follows:



With the characteristics of petroleum business units, the majority of the workforce works directly at petroleum depots and petrol stations, so the proportion of female employees is lower, accounting for more than 25% of the total number of employees in the whole Corporation.

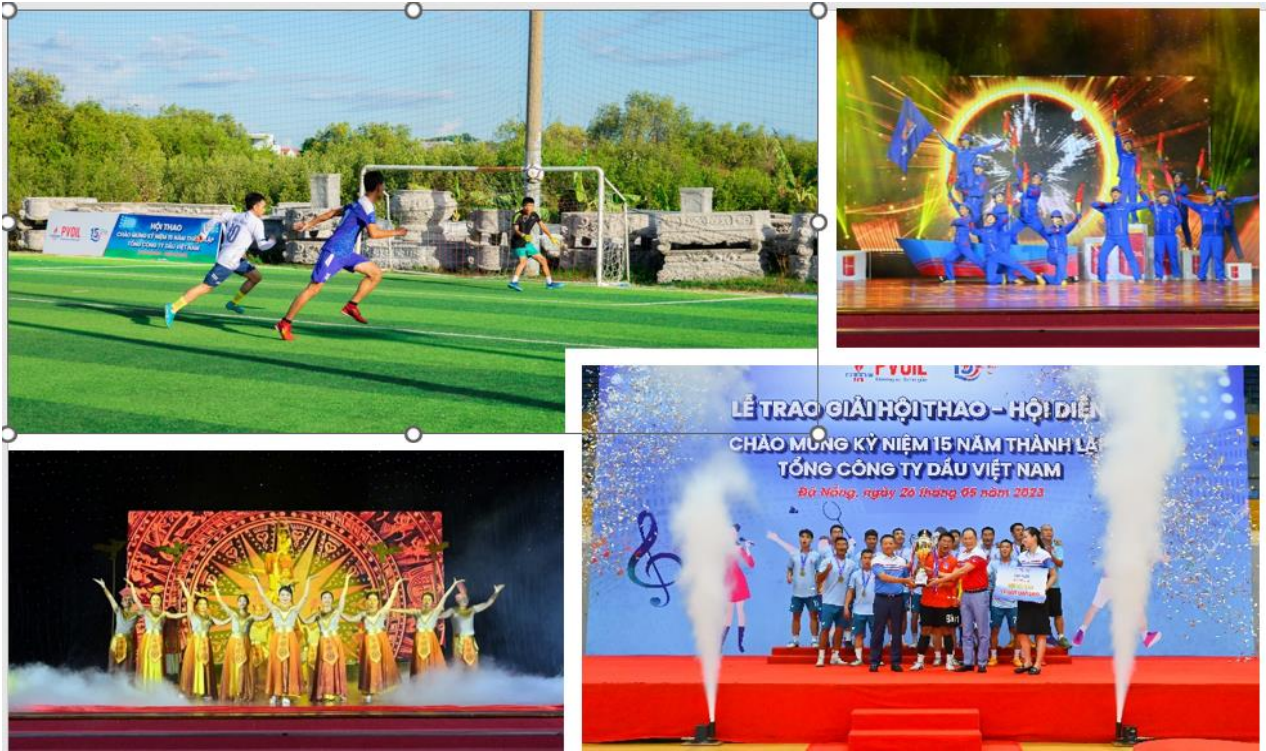
3.3.2. Policy for employees

Salary policy

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

- ✔ PVOIL ensures employment stability for employees, employees are assigned jobs in accordance with their expertise and capabilities, no job suspension or job loss during the year.
- ✔ Basically, PVOIL's employees are paid in accordance with the job title, capacity of each person, competitively and fairly.
- ✔ The allowances are applied in accordance with the conditions, working environment and job characteristics of each position.
- ✔ Every year, PVOIL's Holding company and some member units assign KPIs to its employees.
- ✔ PVOIL always strives to ensure stable income for employees to motivate them to continue to strive and contribute to the development of the Corporation. Specifically:
 - ✔ Insurance and health care policy: well, implemented the regime of social insurance, health insurance and unemployment insurance in accordance with State regulations; Personal liability insurance, Retirement Insurance, Postpaid Life Insurance...; Periodic health examinations for all employees, female employees.
 - ✔ PVOIL holds periodic dialogues to listen to and answer employees' opinions. Thereby, PVOIL also informed the employees of the Corporation's business situation as well as the Corporation's regulations and rules, funds for laborers.

- ✔ Other welfare and benefits: organizing sightseeing, vacation combined with teambuilding; organize movement activities (arts, sports, ..). On the occasion of its 15th anniversary, PVOIL successfully organized a Sports Festival - Exhibition to connect and improve the mental health of employees. The event attracted more than 1,000 participants.



PVOIL's Sports & Arts Festival to celebrate PVOIL's 15th anniversary

Training policy:

- ✔ In 2023, PVOIL focused on organizing training courses to improve leadership and management capacity, update legal knowledge, provide additional training on professional expertise and improve working skills for all employees.
- ✔ In-person training, online training or a combination of both. E-learning continued to be widely deployed, including staff working at petrol stations throughout the PVOIL system to save costs and create conditions for direct workers, working in shifts, to participate in studying.
- ✔ In addition, the Corporation's leaders and leaders of PVOIL member units also actively participated in the framework training program for managers as well as in-depth professional training courses organized and oriented by PVN. such as: Information security, Risk control, Internal control...

In 2023, PVOIL trained 17,001 people at a cost of nearly 14 billion VND.



Petrol station employees participate in E-learning training

Live and online course on "Information Security Awareness & Cyber Security"

4. Investment and project implementation

In 2023, PVOIL continued to seize opportunities and promote the development of petrol stations in many forms (receiving transfer, new investment, investment cooperation, long-term lease, ...). The entire PVOIL system has developed 107 petrol stations, completing 184% of the year's plan, bringing the total number of PVOIL's petrol stations by the end of 2023 to 756 petrol stations.

In addition, PVOIL continued to promote the implementation of information technology application projects to serve management and improve service quality at petroleum storages and petrol stations.

Total disbursement value of the whole system is 532 billion VND, reaching 84% of the year plan.

Details are as follows:

No.	Investment items	Plan (Bi. VND)	Actual (Bi.VND)	% Actual/Plan
1	New construction and renovation of terminal/depots	134	85	63%
2	New construction and renovation of petrol stations	326	351	108%
3	Other purchasing	178	97	55%
	Total	638	532	83%
	<i>In which: - Holding company</i>	<i>403</i>	<i>325</i>	<i>81%</i>
	<i>- Subsidiaries</i>	<i>235</i>	<i>207</i>	<i>88%</i>
	Investment from owner's capital	517	478	92%

5. Corporate restructuring and innovating

The restructuring and rearrangement of petroleum subsidiaries to optimize business operations and efficiency continued to promote in 2023 with specific activities as follows:

- ✓ Completed the transformation of PVOIL Thanh Hoa organization model into a One Member Limited Company and continued to research the transformation of PVOIL Binh Thuan into a One Member Limited Company.
- ✓ Continue to implement the plan to merge: PVOIL Tay Ninh into PVOIL Sai Gon.
- ✓ Complete the development of a long-term operational restructuring plan for 02 companies in Laos (PVOIL Laos and PVOIL Laos Trading) and approve the operating orientation of PVOIL Laos and PVOIL Laos Trading;
- ✓ Complete the increase in charter capital and approve the 5-year development plan for the period 2024 - 2028 of PVOIL Trans.
- ✓ Biofuel Projects: Continue to coordinate with shareholders of BSR-BF, OBF and PVB to implement treatment plans for biofuel projects under the direction of competent authorities and comply with the order and provisions of law; At the same time, continuously update information about projects and report to competent authorities as required.
- ✓ Finalization of equitization: Continue to work with State management agencies to handle problems related to (i) finalization of PETEC equitization and (ii) arrangement and handling of land according to Decree No. 167/2017/ND-CP.

6. Financial summary

6.1. Financial summary (consolidated figures)

No.	Criteria	2022 (Bi. VND)	2023 (Bi. VND)	Comparison (%)
1	Total asset value	28,810.2	38,839.2	135%
2	Net revenue	104,213.8	102,662.9	99%
3	Operating profit	895.2	698.3	78%
4	Other profits	17.0	99.6	587%
5	Profit before tax	912.2	797.9	87%
6	Profit after tax	723.2	621.3	86%

EBITDA Index

No.	Criteria	2022 (Bi. VND)	2023 (Bi. VND)	Comparison (%)
1	Profit before taxes	912.2	797.9	87%
2	Depreciation expenses	336.2	303.6	90%
3	Interest expenses	179.7	261.2	145%
	EBITDA	1,428.1	1,362.7	95%

6.2. Major financial indicators (consolidated figures)

No.	Criteria	Unit	2022	2023
1	Solvency			
	Short-term payment ratio (Short term asset/Short term debt)	Time	1.35	1.21
	Quick Ratio	Time	1.18	1.06

No.	Criteria	Unit	2022	2023
	<i>(Short term assets-Inventories) / Short term debt</i>			
2	Capital structure			
	Payables / Total assets	Time	0.61	0.71
	Liabilities / Equity	Time	1.54	2.41
3	Operating criteria			
	Inventory turnover <i>Cost of goods sold / Average inventories</i>	Round	36.29	27.78
	Net revenue / Total assets	Time	3.62	2.64
4	Profitability criteria			
	Profit after tax / Net revenue ratio	%	0.7%	0.6%
	Profit after tax / Equity ratio (ROE)	%	6.4%	5.5%
	Profit after tax / Total assets ratio (ROA)	%	2.6%	1.8%
	Operating profit / Net revenue ratio	%	0.9%	0.7%

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

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

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

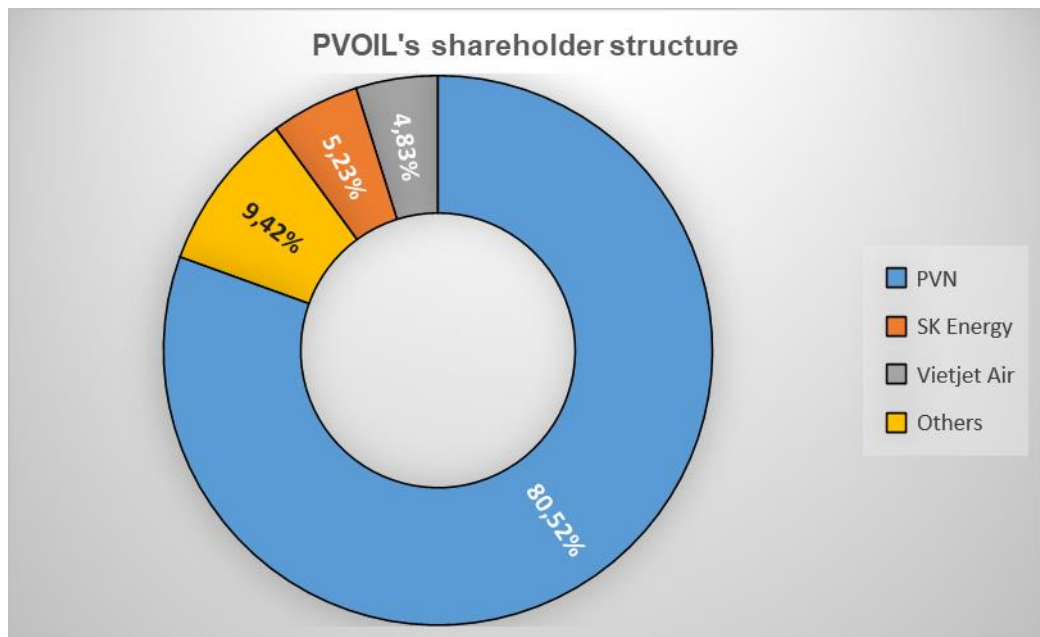
7.1. Shareholders' structure

No.	Shareholders	Number	Shares owned	Value (par value) (VND)	%/Charter capital
I	Domestic shareholders				
	Institutional investors	16	885,613,768	8,856,137,680,000	85.63%
	Retail investors	12,013	90,920,561	909,205,610,000	8.79%
II	Foreign shareholders				
	Institutional investors	5	55,598,684	555,986,840,000	5.37%
	Retail investors	67	2,096,487	20,964,870,000	0.21%
III	Treasury shares	0	0	0	0%
	Total	12,101	1,034,229,500	10,342,295,000,000	100%

Source: List of shareholders at August 24, 2023

List of shareholders holding more than 5% of PVOIL's shares as of December 31, 2023

No	Shareholders	Number	Shares owned	Value (par value) (VND)	%/Charter capital
1	PetroVietnam (PVN)	01	832,803,564	8,328,035,640,000	80.52%
2	SK Energy Co.Ltd.	01	54,121,507	541,215,070,000	5.23%



7.2. Owner's capital change: None

7.3. Transaction of treasury shares: None

7.4. Other securities: None

PART IV

BOARD OF DIRECTORS' REPORT

1. Evaluate the achievements in 2023.

In the context of a volatile and challenging market, PVOIL successfully completed the tasks and plans assigned by the Annual General Meeting of Shareholders in all fields, specifically:

- ✔ **Crude oil import and export entrustment:** *Safe and efficient export and sale of all delivered crude oil and condensate; provide adequate and timely crude oil for operation of Dung Quat Refinery.*
- ✔ **Petroleum production and distribution:** Continue to maintain outstanding growth in output in all distribution channels, while increasing business efficiency in the context of unpredictable oil price fluctuations and lower-than-expected economic growth.
- ✔ **Implement well and effectively the chain linking raw materials - production - storage, distribution in the field of crude oil and oil products with units in the industry.** *To closely and effectively coordinate with domestic oil refineries in ensuring the source and supply of petroleum, especially in times of scarcity.*
- ✔ **Investment and development of petrol stations:** *Seize opportunities, promote petrol station development activities in many forms, develop 107 new stores, nearly 2 times the assigned plan.*
- ✔ **Corporate restructuring and revamping** *continued to be promoted and achieved encouraging results.*
- ✔ **Improving service quality, management capacity, brand promotion** *was focused and effective, helping to improve the reputation and value of PVOIL brand, cultivating a solid foundation for long-term development goals.*

2. Achievements

In order to survive and develop sustainably in a fierce and unstable competitive market and internal difficulties, PVOIL's Board of Directors must be really flexible in management and operation to have appropriate policies and constantly explore innovation to seek development opportunities and affirm its position. The impression of PVOIL over the years continued to be effective in 2023 were the achievement in diversifying and modernizing business operations and continuously improving the position and brand reputation in the market.

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

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

In 2023, PVOIL continued to seize opportunities and promote the development of petrol stations in many forms. The entire PVOIL system has developed 107 petrol stations, completing 184% of the year's plan; PVOIL's total number of petrol stations by the end of 2023 is 756, nearly reaching the planned target for the 5-year period 2021-2025 of 790 stores.



Pictures of some PVOIL's petrol stations opening in 2023

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

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

PVOIL signed a cooperation contract in the business of Vinfast charging stations at PVOIL's petrol stations. On July 4, 2022, Vinfast officially inaugurated and put into operation the first electric vehicle charging station at PVOIL petrol station in Cat Hai district, Hai Phong city, opening a chain of over 300 Vinfast charging stations will be installed at PVOIL petrol stations nationwide as of the end of 2023.



Some pictures of Vinfast's electric vehicle charging station at PVOIL's petrol station

2.3. Rest stop for trucks

In December 2023, PVOIL's first truck rest stop was inaugurated at Ba Trieu Petrol Station in Thanh Hoa province with a land area of 9,600 m², including the Petrol Station, PV Mart convenience store, and utility service area. for trucks including rest rooms, cafeterias, and parking lots. In addition to increasing profits from providing services to trucks, PVOIL also expects to boost petroleum sales at the station.



Some pictures of the truck rest stop at Ba Trieu Petrol station - Thanh Hoa

2.4. Developing a fleet of tank trucks under the PVOIL brand

In the development strategy until 2030, PVOIL aimed to develop a tank truck fleet to meet 100% of the petroleum transportation needs of the entire system. This is to ensure proactiveness in transport dispatching and ensure the quality of petroleum supplied to the market. PVOIL has transformed the model of PVOIL Petroleum Transportation Joint Stock Company (PVOIL Trans) into a one-member limited liability company from August 2022. Immediately after completing the conversion, PVOIL increased capital for the unit to invest in developing a tank truck fleet to gradually realize its strategy.



Departing ceremony of the Northern tank truck fleet

2.5. Promote 4.0 technology application, digital transformation and R&D

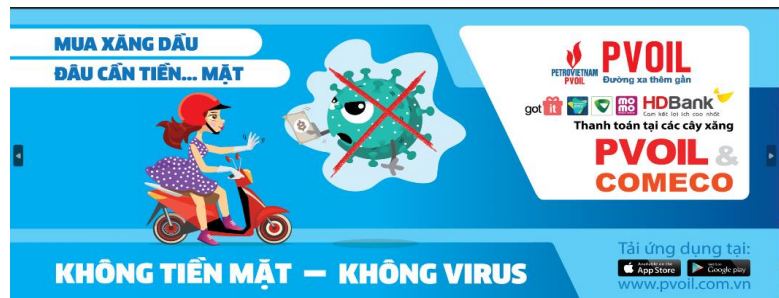
PVOIL is continuing to promote the application of IT, automation and digital transformation in a comprehensive manner in all fields of production and business with the main goal of increasing operational efficiency, enhancing experience, satisfying customers and creating a competitive advantage for PVOIL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



- Continue to deploy extensive application of 4.0 technology in business, sales, and management activities. Focus on implementing digital transformation across all 3 sales channels; Promoting the existing B2B technology platform, PVOIL Easy, diversifying non-cash payment forms (QR codes, e-wallets, credit cards...) to improve management quality as well as create convenience for customers, thereby enhancing PVOIL's competitive advantage.



- Research and develop ERP implementation plan for the period of 2021-2025; solutions to modernize petrol stations; Sales service application for individual customers (PVOIL 4U).



- At the same time, PVOIL also develops digital culture by applying application solutions to production and business activities with the following goals: (i) Putting customers at the center: Researching and building technology solutions suitable for improving service quality and customer experience; (ii) Promote innovation: Encourage officers and employees to create new ideas and come up with creative solutions.

- Research and development work continued to focus on improving technology systems, upgrading and optimizing the operation of terminals/storages.

2.6. Enhancing PVOIL's brand reputation

In 2023, brand communication and promotion continue to be promoted through regular activities such as: revamping petrol stations according to brand identity standards, participating in the main sponsorship of the VOC PVOIL Cup 2023 off-road racing tournament. In addition, PVOIL also took full advantage of the advantages and effectiveness of social networks to quickly convey information about the Corporation's activities to shareholders, customers and PVOIL employees through the Website, PVOIL Fanpage, and PVOIL Youth Fanpage.



Sponsor VOC PVOIL Cup 2023

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

3. Financial analysis

3.1. Assets and capital sources

3.1.1. Assets

Assets	2022		2023	
	Value (VND)	Percentage	Value (VND)	Percentage
Cash and cash equivalents	4,081,852,242,021	14%	5,377,029,776,926	14%
Inventory	2,941,456,384,799	10%	4,171,177,245,517	11%
Fixed assets	3,651,453,863,973	13%	3,432,809,427,312	9%
Long-term financial investments	762,803,468,765	3%	709,602,391,419	2%
Other assets	17,372,612,105,570	60%	25,148,553,726,540	65%
Total assets	28,810,178,065,128	100%	38,839,172,567,714	100%

PVOIL's consolidated assets on December 31 2023, was VND 38,839 billion, an increase of VND 10,029 billion (35%) compared to the beginning of 2023, including: short-term assets of VND 32,976 billion and long-term assets of 5,863 billion dong. In which:

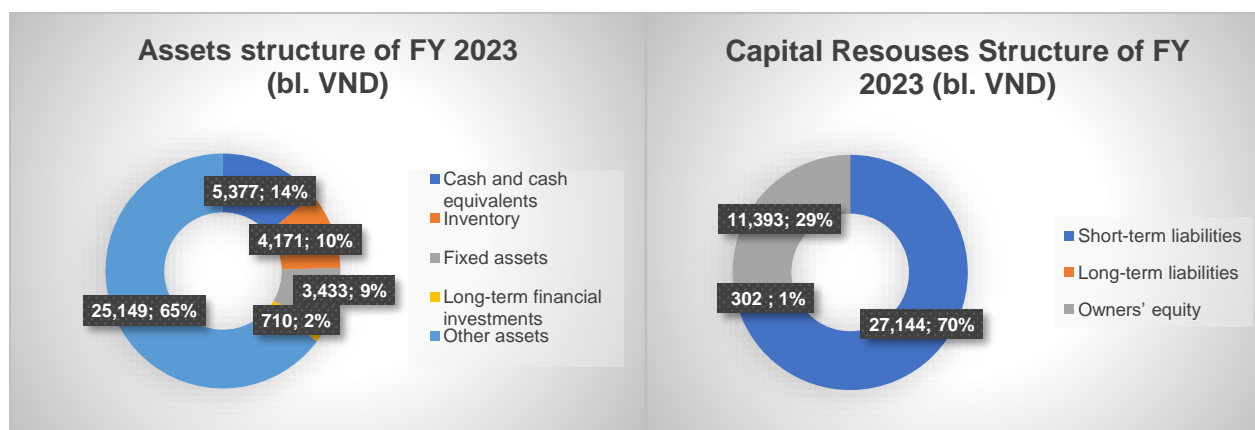
Short-term assets: increased by VND 9,743 billion dong, focusing mainly on cash and cash equivalents, short-term financial investments, short-term receivables and inventories.

Long-term assets: decreased by VND 286 billion, focusing on other long-term assets and long-term unfinished assets due to investments during the period..

3.1.2. Capital sources

Capital sources	2022		2023	
	Value	Percentage	Value	Percentage
Short-term liabilities	17,214,876,762,847	60%	27,144,353,193,886	70%
Long-term liabilities	268,092,921,250	1%	301,759,736,613	1%
Owners' equity	11,327,208,381,031	39%	11,393,059,637,215	29%
Total liability	28,810,178,065,128	100%	38,839,172,567,714	100%

Owner's equity of PVOIL excludes non-controlling interests as of December 31 2023, was VND 10,364 billion, increasing VND 153 billion compared to January 01, 2023 because of profit through business.



3.2. Liabilities

As of December 31, 2023, total consolidated liabilities were VND 27,446 billion, an increase of VND 9,963 billion (57%) compared to the beginning of the year, focusing mainly on short-term debt. In particular:

- Short-term payables to suppliers were 13,631 billion, in which: Binh Son Refinery VND 3.822 billion, Petrovietnam Nghi Son Distribution Board (PVNDB) VND 3.239 billion, BCP Trading Pte. Ltd. VND 2.803 billion, PetroChina Inetrnational - HongKong VND 2,097 billion, PVEP VND 617 billion, and other suppliers VND 1.053 billion.
- Other short-term payables of VND 5,153 billion, mainly collected and paid of import and export crude oil, collected and paid export tax on behalf of crude oil owners.
- Short-term borrowings of VND 6.967 billion; Petroleum price stabilization fund was VND - 144 billion was set aside and used according to the regulations of the Ministry of Finance in Circular No. 103/2021/TT-BTC dated November 18, 2021 on guiding methods of setting up, spending, using, and managing the Stabilization Fund gasoline prices and related documents;
- Other payables included tax, salary and other payables that are not due, ..., which totaled VND 1,695 billion.

4. Production and business plan for 2024

4.1. Forecasting

In the newly published "World Economic Situation and Prospects for 2024" report, the United Nations has made a gloomy forecast for the global economy this year, due to challenges such as escalating conflicts and trade. global weakness, high interest rates and rising climate disasters. The United Nations forecasts that global economic growth will decrease to 2.4% this year, compared to the 2.9% estimated for 2023.

The average Dated Brent crude oil price in 2024 according to Platts is expected to be at 85.17 USD/barrel, equivalent to the average oil price in 2023.







Domestically, the Government targets GDP growth at 6-6.5%. Exports, public investment and FDI are expected to continue to be the driving forces to support economic growth. In addition, the State Bank continues to have favorable foundations to maintain the orientation of loosening monetary policy, maintain the trend of reducing interest rates, and prioritize growth support.

In petroleum business activities, it is forecast that the Government will continue to innovate the petroleum business management mechanism in the direction of reducing focal points, reducing intermediaries, and strengthening market supervision and management. The construction market is expected to become more transparent and healthier.

Supply from two domestic refineries will decrease significantly because Dung Quat Refinery is expected to stop maintenance from March 2024 for about 50 days.

The trend of energy transition and the development of electric cars continues to grow stronger, directly affecting construction business activities, including PVOIL

4.2. Main missions

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

4.3. Major objectives

4.3.1. Volume and finance targets

No.	KPI	Unit	2024 Plan	Compared to 2023 Actual
I	Production KPIs			
1	Crude oil export/sales and import crude oil for Dung Quat refinery	1,000 tons	9,496	89%
2	Production of petroleum, lubricant	1,000 m3/ton	585	87%
3	Petroleum trading	1,000 m3/ton	5,000	95%
	- Retail proportion	%	27.1%	+ 2.5%
II	Financial KPIs			
II.1	Consolidated			
1	Revenue	VND bn.	83,000	80%
2	Profit before tax	VND bn.	740	93%
3	Profit after tax	VND bn.	592	95%
4	Contribution to State budget	VND bn.	7,584	80%
II.2	Holding company			
1	Revenue	VND bn.	56,000	68%
2	Profit before tax	VND bn.	600	98%
3	Profit after tax	VND bn.	480	96%

Note: Revenue in 2024 is calculated on crude oil price of 70 USD/barrel

4.3.2. Capital investment plan

PVOIL continues to focus on investment in developing retail petrol stations and renovating facilities for petroleum business in 2024 with the following specific targets:

No.	Investment item	Quantity	Value (VND bn.)	Compared to 2022 Actual
1	Development and renovation of Terminal/depots		458	539%
2	Development and renovation of petrol stations (*)	65-70 petrol stations	266	76%
3	Other investment and procurement		345	356%
	TOTAL		1,070	201%
	Of which: - Holding Company		377	116%
	- Subsidiaries		693	335%
	Investment from owners' equity		639	134%

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

5. Explanation of the Board of Directors for auditing opinions

PVOIL's 2023 consolidated financial statements was audited by Deloitte Vietnam Co., Ltd. Accordingly, the auditor's report includes 01 content in the Basis for Qualified opinion and the explanation of the Board of Directors as follows:

Auditing opinion: As presented in Note 18 of the Notes to the consolidated financial statements, as at 31 December 2023, the Corporation's investment in PetroVietnam Biofuels Joint Stock Company ("PVB"), an associate of the Corporation, under equity method in the consolidated financial statements was VND 271,593,756,068 (as at 31 December 2022: VND 272,716,534,896) based on PVB's unaudited financial statements for the financial year ended 31 December 2022, which was prepared on a going concern basis. At the date of this report, the Corporation has been still waiting for approvals from competent authorities to implement a bankruptcy plan for PVB. Based on the current available information, we were unable to obtain sufficient appropriate audit evidence in relation to the Corporation's investment in PVB being accounted for the equity method in the Corporation's consolidated financial statements for the financial year ended 31 December 2023. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

BOD's explanation: The investment in Petrochemical and Biofuels Joint Stock Company (PVB) is the Phu Tho Biofuel Plant project, which arose before the equitization of PVOIL, Construction has stopped since 2012. This is one of 12 projects and enterprises that are behind schedule and ineffective in the Industry and Trade sector according to Decision No. 1468/QD-TTg dated September 29, 2017 of the Prime Minister. According to Notice No. 385/TB-VPCP dated October 2, 2018, of the Government Office, the Phu Tho Biofuel Plant project was proposed to consider the solution for dissolution and bankruptcy following the law.

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

The Government has agreed to remove the Phu Tho biofuels project from the monitoring and handling list of the Steering Committee for handling shortcomings and weaknesses of a number of slow-moving and ineffective projects and enterprises in the industry. Industry and Trade according to the content of official dispatch No. 3554/VPCP-KTTH dated December 24, 2020 of the Government Office. At the same time, the Vietnam Oil and Gas Group was assigned to proactively decide and implement according to its authority and legal regulations the handling and restructuring of the project. Because it is not possible to appraise the value of the business as a basis for making a plan to divest from PVB, the implementation of divestment at PVB cannot be carried out.

Currently, PVOIL and PVB are working with PVB's shareholders and related parties to consider and decide on a handling plan according to their authority and provisions of law.

PART V

BOARD OF MANAGEMENT'S REPORT

1. Overall evaluation on company's activities

In 2023, the world economy dealt with many difficulties when facing geopolitical instability (Russia and Ukraine, Israel and Hamas); Inflation in many countries with developed economies increased, leading to the implementation of tightening monetary policies in many countries, prolonged interest rate increases, reduced consumer demand, and affected economic growth negatively; The domestic economy was strongly affected by the world economic recession; World oil prices fluctuate unpredictably, domestic supply was scarce at some times due to Nghi Son Refinery temporarily suspending operations for maintenance, etc. From November 17, 2023, the Government issued Decree No. 80/ 2023/ND-CP amending and supplementing a number of regulations on petroleum and oil business, adjusting price formulas, shortening the time to administer petroleum and oil prices,...

Despite facing many difficulties, the PVOIL team made great efforts to overcome difficulties, deploying many groups of effective, sometimes drastic solutions to handle and remove difficulties, obstacles and problems, and achieved very impressive production and business results, creating many new records in production and business activities; Other aspects of the Corporation's operations are stable; Enterprise resources were accumulated, creating the foundation and expectations for setting growth goals in the next period

- ✔ **Main tasks - production and business:** Continue to ensure a stable supply of petroleum for the entire system; Organize and balance product sources and operate business flexibly, promote good chain links with units in the oil and gas industry, exceed the production and business plan targets assigned by the 2023 AGM: indicators Consolidated output target completed 159% of the year plan (5.2 million m³), revenue reached 207% of the year plan (103.6 trillion VND) and pre-tax profit target completed 133% of the plan year (798 billion VND); The holding company alone completed 122% of the pre-tax profit plan (611 billion VND).
- ✔ **In the field of capital management:** Manage and use capital effectively, for the right purpose, preserve and develop capital; Manage receivables and payables, handle/recover outstanding debts/debts throughout the system according to regulations, limit the occurrence of bad debts; Regularly monitor the performance of member units and evaluate the effectiveness of investments outside the enterprise; Periodically review and evaluate the operations of units under special control, add/remove from special control.
- ✔ **Regarding corporate governance:** Periodically review, amend/supplement and complete the system of internal regulations/regulations in accordance with Laws, Decrees and newly effective documents of the State and the actual situation of the Corporation; Practice savings and fight waste from the Corporation to member units, audit fuel costs in accordance with State regulations; Standardize and improve the uniformity of measurement and sales-related means as a basis for building and implementing digital transformation solutions, improving management in retail activities at retail locations. Petrol stations, improving customer service quality at petrol stations and petroleum depots; Promote the implementation of scientific research projects and application of information technology in management and administration to improve operational efficiency; Strengthen fire and explosion prevention and occupational safety and hygiene, especially at warehouses and petrol stations.

- ✔ **Regarding the field of construction investment:** Implementing investment projects according to the 2023 plan includes: investing in petrol stations, building and expanding petroleum depots, upgrading and renovating a number of works, and installing systems. automatic fire alarm at units; Continue to implement and complete transitional projects from 2022; Review and arrange port storage system planning throughout the PVOIL system to reduce operating costs and improve efficiency; Promote continued research and development of Jet A1 jet fuel business development project.
- ✔ **Business restructuring and innovation work:** Continue to implement the PVOIL arrangement and restructuring plan for the period 2020 - 2025 including the Holding company restructuring work group, the organization/reorganization work group member units, divestment of investment enterprises outside the industry and restructuring groups of biofuel plants. In 2023, the Corporation has completed the transformation of the operating model of Thanh Hoa Petroleum Joint Stock Company into Thanh Hoa Petroleum Petroleum Joint Stock Company (100% capital of the Corporation); Work with other shareholders to promote the merger plan of PVOIL Tay Ninh - PVOIL Saigon; Directing the implementation of policies related to converting Binh Thuan Petroleum JSC into a one-member limited liability company; Continue divestment work at PVOIL Cambodia; Approve the operational orientation of PVOIL Laos and PVOIL Laos Trading; Completed the increase in charter capital and approved the 5-year development plan for the period 2024 - 2028 of PVOIL Trans.
- ✔ **Organization, labor and salary:** Continue to innovate and perfect the organizational structure of member units, improve the quality and operational efficiency of the entire system; Implement fully and properly the requirements of organizational work, personnel work, recruitment and training of personnel; Pay salaries, bonuses and policies in accordance with regulations; Emulation and timely rewards and encouragement of employees.
- ✔ **IT application and digital transformation:** Research and develop the Corporation's digital transformation strategy for the period 2024-2030; Continue to promote the application of information technology, automation and digital transformation in an effective way into all areas of production and business with the main goal of increasing operational efficiency and creating competitive advantage. Strive to complete the ERP project for the period 2023-2025 with the goal of putting into use all project items in the fourth quarter of 2024; Implementing the project "Solution to modernize PVOIL petrol station pumping stations", promoting the implementation of State regulations on issuing invoices after each sale; Piloting PVOIL Easy payment cooperation with VETC automatic toll collection cards at petrol stations.
- ✔ **Safety and fire prevention work:** Pay attention to inspection and supervision of compliance with State legal documents on environmental health and safety work; Coordinate with the Fire and Rescue Police Department on the Inspection of compliance with legal regulations on fire prevention and fighting at PVOIL Office Block and Units in the system; Evaluate/inspect the implementation of Project 1114 at all petrol stations and Project 808 at all warehouses/ports in the system; Organize training on safety control, psychological training in firefighting, rescue, and in-depth identification and assessment of oil spill hazards in operations at PVOIL's petroleum storage system.
- ✔ **Regarding biofuel projects:** Continue to coordinate with shareholders of BSR-BF, OBF and PVB to implement treatment plans for biofuel projects according to the direction of competent authorities and comply order and provisions of law; Continuously update information about projects and report to competent authorities as required.

- ✔ **Inspection and supervision work:** Organize strict supervision of production and business activities of member units through reports of representatives at subsidiaries, periodic inspection and supervision reports of the Internal Control Board, quarterly financial monitoring report of the BOD, quarterly financial statement appraisal report of the Corporation's BOS; Directing support and overcoming plans for units facing difficulties, with accumulated losses, and units under special supervision; Direct the implementation of solutions to overcome shortcomings in the system that have been pointed out by external and internal inspection and examination teams; Strengthen the direct supervision of the Corporation's BOM over the activities of the Units in the system.
- ✔ **Regarding development orientation and strategy building:** Continue to closely follow the development orientation of the petroleum industry and the actual energy transition context to consider and decide on timely construction, amendments and supplements. PVOIL's production and business strategies and plans accordingly; Research and develop non-oil business activities at petrol stations and stopover station models; Cooperate with Vinfast to install electric charging stations and do battery charging business; Continue business cooperation, build value chain links with units in Vietnam Oil and Gas Group, research and propose new forms of cooperation and link chains to optimize production and business efficiency of the Corporation; Regularly seek opportunities to cooperate with domestic and foreign partners to promote and develop the Corporation's production and business activities to adapt to the energy transition trend.

2. Evaluation on BOD activities

The CEO managed all aspects of the Corporation's operations in a stable manner; Basic production and business indicators grew spectacularly, achieving new records in petroleum business output, revenue and number of petrol stations developed during the year.

In 2023, the BOD did a good job of forecasting developments in world oil prices and domestic petroleum demand, thereby providing timely solutions to respond to market fluctuations and being proactive in the process. business operations, strengthening production and blending, reasonable inventory management, and flexibility in the stages of creating/supplying petroleum sources to members; Closely coordinate with BSR, PVNDB to develop/implement plans to ensure maximum consumption of products from domestic oil refineries, and regulate goods to support the 2 Refinery's continuous and stable operations. determination; Increase output and business efficiency through promoting chain links with members of Vietnam Oil and Gas Group (BSR, PVNDB, PVGAS) on raw materials, production, storage, and distribution in the field of crude oil and gas. oil products; Focus on market development, expanding business scale after restructuring and converting subsidiaries into limited liability companies according to regulations. The results are as follows:

- ✔ PVOIL's 2023 AGM was successfully held as planned; The 2022 annual report and information disclosure were carried out transparently and on time.
- ✔ Regarding the implementation of production and business plan targets in 2023, BOD sufficiently, earnestly implemented and successfully completed the main business and production targets assigned by the AGM and BOM, in which the main indicators include petroleum trading volume (159%), revenue (207%) and profit before tax (133%).
- ✔ Other key tasks were completed according to plan such as: Enterprise restructuring - innovation; Investing in developing a system of petrol stations and arranging port warehouse system planning; Applying 4.0 technology and digital transformation; System administration: control costs, manage finances safely and effectively, improve

service quality at warehouses and petrol stations through the implementation of Project 1114, Project 808, and pilot implementation of non-oil services at a number of petrol stations in the system for security and safety, fire prevention and fighting; Corporate, social security, and charity activities are paid attention to and actively implemented throughout the system with many meaningful activities.

General assessment: During the management of PVOIL's business activities in 2023, the CEO and BOD strictly complied with the provisions of Law, management decentralization in the Charter and internal regulations of PVOIL as well as resolutions of AGM and BOM; Found several flexible and timely operating solutions and achieved many encouraging results; Successfully completed the business plan and key tasks assigned by AGM and BOM; Continued to improve income, improve the living standards of labors. Create a stable foundation and new development motivation throughout the system.

3. Action plan and orientation in 2024

On December 29, 2023, based on the medium-long-term development strategy orientation, the Corporation's restructuring plan for the period 2020 - 2025 and its 2024 production and business plan, the Corporation's BOM has issued the 2024 Work Program of the BOM, specifying the groups of tasks/work to be performed and the goals set in 2024 with specific contents:

- ✔ Production and business activities: Directing the successful implementation of the 2024 Production and Business Plan on the basis of ensuring adequate petroleum supply for the system and stabilizing the market; Maximizing competitive advantage, seizing development opportunities, and effectively utilizing benefits from the production - transportation - distribution chain within the Petro Vietnam; Improving business output, expand market share; Effectively exploiting the petroleum storage system. Regularly monitoring the implementation of production and business plan targets through monthly/quarterly and annual production and business results of the Corporation and member units throughout the system; Directing necessary solutions to ensure completion of production and business plan for 2024.
- ✔ Financial and debt management: (i) Ensuring a healthy and safe financial situation; Mobilizing and using capital for the right purpose; Effective cash flow management to ensure liquidity and contribute to improving capital use efficiency; Shareholders' investment capital is preserved and developed; (ii) Directing to strengthen debt management, not allowing new bad debts to arise, focusing on collecting outstanding and bad debts; (iii) Directing the monitoring and evaluation of capital investment efficiency outside the enterprise; Considering the policy of increasing charter capital for some members to meet capital needs for business development and (iv) Directing the review and assessment of the operations of a number of units subject to special supervision to decide whether to add/remove from the subject of special control.
- ✔ Restructuring and finalization of equitization: Continuing to direct the implementation of PVOIL's arrangement and restructuring plan for the period 2020 - 2025; Continuing to direct the implementation of treatment plans for OBF, PVB and BSR-BF Biofuel projects; Directing and coordinate closely with competent authorities to promote the equitization settlement of PVOIL and PETEC; Continuing to direct the focus on divestment from companies that are not in the main business lines.
- ✔ Digital transformation and application of 4.0 technology: Continuing to supervise and direct the promotion of digital transformation and application of 4.0 technology in the

PVOIL system with a focus on: Developing a Digital Transformation strategy for the period 2024-2030; ERP implementation; Accelerating the work of modernizing pumping stations at PVOIL petrol stations; Ensuring issuance of invoices for each sale and connection of sales data according to regulations; Deploying hardware and software solutions to upgrade and expand PVOIL Easy, Electronic Invoices and PVOIL B2B; Investing and upgrading technology, management software and information technology infrastructure equipment to serve production and business.

- ✔ Work on building value chains; brand building and development: Continuing to direct business cooperation and building value chains with units within the Petro Vietnam; Directing the development of the PVOIL brand, embellishing/synchronizing the brand identity of the entire PVOIL system, expanding PVOIL brand coverage.
- ✔ Investment work: Directing, urging and supervising the implementation of planned investment projects, including transitional projects from 2023, ensuring progress and efficiency; Focusing on promoting investment in petrol stations in accordance with PVOIL's development strategy; Continuing the task of reviewing and arranging the planning of warehouse and port systems throughout the PVOIL system to reduce operating costs and increase the efficiency of port warehouse use; Continuing to direct the implementation of research and development of Jet A1 jet fuel business development project.
- ✔ Review of internal management regulations documents: Directing the review, promulgation, amendment and supplementation of internal management regulations to be consistent with actual production and business activities and changes in law and business environment.
- ✔ Inspection and supervision work: Organizing regular and closing supervision of production and business activities of member units; Regularly monitoring the implementation of powers, responsibilities and obligations of Representatives at member units; Strengthen inspection and control to ensure that units in the system operate according to the set orientation and goals.
- ✔ Continuing to closely follow the development orientation of the petroleum industry and the context of energy transition in the world and in the country to build; Timely amend and supplement PVOIL's production and business strategies and plans accordingly

PART VI

SUSTAINABLE DEVELOPMENT REPORT

1. Key messages

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

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



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

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



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

2. The operating principle of PVOIL for related parties

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

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

3.1. Maintain the effectiveness of the SH&E

3.1..1. Management system of the SH&E

- ✓ The management system for SH&E at PVOIL has been established, regularly implementing and organizing the synchronous, rhythmic and strict activities from PVOIL to its branches and subsidiaries throughout the whole system, from the highest levels of leadership to specialized/part-time specialists.
- ✓ Building a team of safety and hygiene staff in PVOIL to ensure safety and hygiene in production and business activities.

- ✓ Develop a safety management program, a quantitative risk assessment report and an emergency response plan in accordance with the law.

3.1..2. Maintaining and improving the safety management system

- ✓ Integrated quality management system (IQMS) of PVOIL has been developed, maintained and complied with since 2012 in the whole system. This has been assessed and received certificate by the BSI British Standards Institute as a Management system with Safety - Environment - Quality according to requirements of the International Standard for Occupational Health and Safety Assessment Series OHSAS 18001: 2007 / ISO 45001: 2018, environmental management system namely ISO 14001: 2015 and quality management system ISO 9001: 2015. The system is periodically re-certified and assessed annually, with the most recent assessment being September-October 2023.
- ✓ The implementation of Project 1114 "Improving customer service quality at petrol stations" and Project 808 "Improving the quality of customer service at petroleum depots" have contributed positively in ensuring compliance with the professional process, proficiency in fire safety and safety rules, safe operation, proficient use of fire protection equipment and troubleshooting at petrol stations and depots throughout the system.



Images of PVOIL's green - clean - beautiful - safe Terminal and petrol stations

- ✓ Maintaining compliance and improving the management system strictly, which is implemented by PVOIL through:
 - ✓ The internal inspection and evaluation of PVOIL on SH&E is maintained annually.
 - ✓ Monthly inspection and evaluation for Project 1114 "Improving the quality of customer service in construction stations" and Project 808 "Improving the quality of customer service at petroleum depots" with 04 turns for all depots and petrol stations in the system;
 - ✓ Periodic monitoring and evaluation activities of the British Standards Institute (BSI): The unsuitable findings and improvement recommendations of BSI are monitored, planned and implemented to overcome, prevent and renovate according to the process.

- ✔ Training for employees on related contents. In 2023, PVOIL has trained employees who work directly at petroleum storages in the course of "Safety control and psychological training in firefighting, and rescue" and the course "Identify, in-depth assessment of oil spill hazards in the operation of the PVOIL petroleum storage system" at the affiliated petroleum storages. Organize oil spill drills and occupational safety and hygiene training courses according to Decree 44/2016/ND-CP.

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

In 2023, PVOIL continues to maintain the implementation of measures from prevention to readiness to respond to incidents to ensure safety and fire prevention throughout the system with the following typical activities:

- ✔ All terminals/deports and petrol stations organized of rehearsal of fire prevention and fighting plans, responding to environmental incidents and emergency escape with the participation of local functional forces to improve the readiness of rescue forces in place and safety awareness of employees.
- ✔ PVOIL has combined to organize direct training courses on SH&E in accordance with the law; implemented "Safety assessment of ports/depots" according to international practices, training "coordinating fire fighting between ships and shores", hygiene security for all labor, periodically practicing fire protection;
- ✔ PVOIL also regularly warns and timely prevent natural disasters, storms and floods, ensure safety for people and reduce damage to property. The Steering Committee of the Emergency Office will be on duty 24/24 on the occasion of holidays, New Year or the time of storms, floods ... in order to timely direct and handle emergencies; Organize the direct force to save oil spill in the process of importing and exporting petroleum at all depots in the system.
- ✔ PVOIL always maintains a monthly report, periodically and irregularly inspects safety, security and fire prevention work at units in the whole PVOIL system.



Some images of fire prevention and oil spill response drills at PVOIL's terminals

3.3. Employee health care

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

3.4. Environmental protection and waste control

- ✓ PVOIL regularly monitors and updates the implementation of newly issued legal documents. In 2023, the Corporation continued to monitor and guide units throughout the system to implement the Law on Environmental Protection 2020 and its supporting documents for the Units, recording the problems and difficulties of the Units during the implementation process to report to competent authorities to remove problems for the Unit.
- ✓ Periodically monitor environmental quality, conduct oil spill response drills, manage hazardous waste, and effectively operate the wastewater treatment system.
- ✓ Apply risk management measures in environmental protection and waste control activities through identifying and evaluating significant environmental aspects from storage, preparation, trading and transporting petroleum to provide solutions to prevent environmental pollution incidents

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

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

- ✓ Maintain periodic propaganda for occupational safety and health, world environment day, earth hour, fire prevention and fire prevention day ... help raise awareness of officials and employees about compliance requirements of legislation on safety - fire protection, environmental protection and worker health.
- ✓ In 2023, PVOIL successfully organized the Environmental Health and Safety Conference, to summarize the Corporation's environmental health and safety work in recent years, and at the same time create conditions for sharing experiences/lessons in implementing effectively or handle problems/difficulties in the process of implementing health and environmental safety work between units.

3.6. Health and occupational safety indicators

The rate of injury, occupational diseases, sick days, absence and the number of deaths relating to work in each area of PVOIL in 2023 is listed as follows:

No	Indicators	Unit	Number
1	Occupation accidents		0
	- Total number of occupation accidents	Case	0
	- Total number of people have occupation accidents	People	0
	- Total expenses for occupation accidents (emergency, treatment, pay for leaves, compensation, benefits...)	VND million	0
	- Property damage (in cash)	VND million	0
	- Numbers of leaves because of occupation accidents	Day	0
2	Occupation disease		0
	- Accumulated number of people have occupation disease	People	0
	- Numbers of leaves because of occupation disease	Day	0
	- Numbers of early resigns because of occupation disease	People	
	- - Total expenses for people with occupational diseases in 2019 (expenses are not included in the occupational safety and hygiene plan such as: treatment, salary payment on holidays, compensation, allowance, etc)	VND million	0
3	Result of health classification of workers		
	+ Type I	People	1,361
	+ Type II	People	2,814
	+ Type III	People	1,957
	+ Type IV	People	53
	+ Type V	People	6
4	Number of sick leaves	Day	0

3.7. Main tasks of safety, health and environmental protection (SH&E) in 2024

2023 achievements affirmed the continuous efforts of the Board of Management and the staff of PVOIL in ensuring SH&E, strengthening the brand and image of PVOIL for a safe and sustainable future. In order to continue to promote this achievement, PVOIL sets some main tasks in 2024 as follows:

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

4. Environmental compliance

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

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

5. Environmental impact report

5.1. Environmental impact

Emissions

- Total emissions from PVOIL's factories in 2023 were about 7,014 tons, of which NOx emissions are 3.54 tons, CO is 2.67 tons, VOC is 0.548, SOx is 0.006 tons and dust is 0.246 tons
- Emissions generated from factories were collected and treated in accordance with Vietnam's environmental protection regulations before being discharged into the environment. In 2023, PVOIL had no incidents caused by emissions.
- All emission sources were periodically monitored and closely monitored, ensuring that the content of pollutants emitted into the environment meets current emission standards.
- PVOIL's initiatives and measures to reduce greenhouse gas emissions:
 - ✓ Install air roofs for petroleum tanks.
 - ✓ Strictly implement closed delivery procedures at petrol stations.
 - ✓ Improving technology to recover gas products in the distillation process as fuel for heating furnaces.

Wastewater

- Wastewater at petroleum depots, petrol stations and factories of the Corporation is mostly hazardous (oil-contaminated) wastewater, which was treated to ensure discharge standards into the environment. Wastewater treatment systems at PVOIL's warehouses and factories are invested in, upgraded and regularly maintained.
- Periodically monitor wastewater quality as committed in Environmental Impact Assessment Reports, Environmental Licenses and Environmental Protection Commitments. The results of environmental monitoring at units in 2023 have not recorded any cases of water discharge that do not comply with regulations.

Solid waste

- PVOIL's activities generate mainly types of waste such as domestic solid waste, normal industrial waste and hazardous waste. In 2023, the amount of household waste generated was about 3.5 thousand tons, normal industrial waste was about 15.2 tons, and hazardous waste was about 243.7 tons.
- All types of waste are classified, collected, stored safely and transferred for treatment in accordance with current legal regulations.

5.2. Raw Material Management

- ❖ Total amount of materials used to produce and package PVOIL's main products and services during the year:

- ✓ Condensate (Naptha): 154,000 m3
- ✓ Base oil used for lubricant production: 2,729 tons
- ✓ Additives used for lubricant production: 256 tons
- ✓ Packaging of lubricant oil:

No.	Packaging name	Unit	Quantity
1	Cans	Can	351,883
2	Bucket cans	Can	42,128
3	Drum cans	Can	9,841
4	Carton boxes	Box	18,695

- ✓ Mineral water: 7,000 m3
- ❖ Report on the percentage of recycled materials used for manufacturing PVOIL's main products and services: Not applicable.

5.3. Energy consumption

- ❖ Direct and indirect energy consumption: 14,742,586 kW, increased by 12% compared to 2022.
- ❖ Energy-saving initiative report and amount of energy saved by energy efficiency initiatives: not yet conducted.

5.4. Water consumption

- ❖ Water supplies and water consumption: supplies from local water or borewells.
- ❖ Water consumed in 2023 was 327,892 m3, an increase by 3% compared to 2022.
- ❖ Percentage and total volume of recycled and reused water: wastewater at the Corporation's petroleum depots and petrol stations, mostly hazardous (oil-contaminated), was treated to meet the standards of water discharging into the environment. However, PVOIL has not yet recycled or reused such wastewater.

5.5. Adaptation to climate change and energy transition

With the mission of contributing to ensuring national energy security, under the guidance of Vietnam Oil and Gas Group, PetroVietnam Oil Corporation - JSC has participated in activities to contribute to minimizing the impact of climate change during the process of storing and trading petroleum:

- ❖ Cooperate with Vinfast Company to install electric vehicle charging station systems at petrol stations, to gradually implement energy transition activities.
- ❖ Conducting an inventory of greenhouse gas emissions and polluted gases in petrochemical refining activities at Phu My Petroleum JSC.
- ❖ Disseminate and deploy to all Units the Group's legal documents and guiding documents on climate change adaptation.
- ❖ Implement a number of energy saving measures in production and business activities such as: gradually replacing electric light bulbs installed outdoors with light bulbs using solar power, gradually replacing automatic faucets to save money, water, ...

5.6. Compliance with law on environmental protection

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

6. Labor Policy

Recruitment, training, salary payment, bonus payment, and settlement of policies for employees are guaranteed to be fair and timely. Besides, the Corporation tries to provide the best possible welfare and benefits for employees.

6.1. Implement Labor Law

- ✔ The Corporation always complies with the provisions of labor law and guiding documents; commit not to let violations occur during implementation.
- ✔ In 2023, the Holding Company - PVOIL had no labor disputes or complaints related to the legal and legitimate rights and interests of employees.

6.2. The implementation of the Collective Labor Agreement and internal regulations and regulations

- ✔ The signing and implementation of the Collective Labor Agreement is fully implemented in accordance with the order and provisions of current law. Employees of the Corporation always raise awareness and well implement labor regulations, internal regulations and regulations of the Corporation and each unit, regulations on labor contracts, training, and working hours. Working hours, rest time, salary, rewards, benefits, occupational safety and hygiene, labor discipline and material responsibilities, maternity benefits, retirement, are specified in the collective labor agreement and other relevant internal documents.
- ✔ The Corporation and its member units organize a labor conference in 2023 in accordance with the order and provisions of the law, combined with organizing a conference to summarize production and business activities, a conference to summarize Party and Trade Union work to ensure savings and efficiency.

6.3. Female employees

- ✔ The proportion of female employees accounts for 26.6% of the total number of employees of the entire Corporation. Female employees are created with favorable conditions to participate in management and administration in the apparatus of the Corporation and its member units.

- ✓ In addition to the regimes for employees in general, the Corporation and its units also fully apply specific regimes for female employees (for example: specialized health check-ups, maternity leave, maternity leave). of female workers,...) in accordance with the provisions of labor law, collective labor agreement and internal documents.

7. Report on social issues

7.1. Employment



Total employees as of December 31, 2023

6,583 people



Average salary of the employees

VND 15,49 million/person/month



Welfare provided to full-time employees

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



No discrimination

PVOIL commits not to discriminate race, color, gender, religion, political views, national origin or social origin. There was no discrimination in PVOIL in 2023.



Do not use child labor and forced labor

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


7.2. Responsibilities of products and services

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


Customers can make suggestions and complaints through the following forms:


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

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

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

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

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


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

 **08.96618800** Supported PVOIL Easy nationwide.










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

7.3. Responsibility to the community

Fully aware of the responsibility to the community and aspired to contribute to a better and more compassionate society, in 2023, besides the traditional charity and social programs from many previous years, PVOIL promoted meaningful and practical activities to share the responsibilities with the community. Total expense of charity works in the year was nearly VND 26 billion with detailed activities as follows:

 Participating in sponsoring activities such as building schools, health centers and Great Solidarity houses in localities throughout the country: VND 17.4 billion

 Other charity and support activities: VND 8.2 billion

-  Serving the Vietnamese Heroic Mother and the Martyr's Mother in Cu Chi District.
-  Caring for and nurturing orphans affected by the Covid-19 epidemic in Nha Be district.
-  Visiting and giving gifts to Vietnamese Heroic Mothers and Mothers and wives of Martyrs in Cu Chi district, Nursing Center for War Invalids and Meritorious People in Long Dat District, Ba Ria - Vung Tau on the occasion of July 27 (War invalids and Martyrs Day);
-  Visiting and giving Tet gifts to Vietnamese Heroic Mothers and Mothers and Wives of Martyrs in Cu Chi district, orphans affected by Covid-19 in Nha Be district, Thien Phuoc Orphanage Center, giving gifts for the poor, people with meritorious services, and victims of Agent Orange in Thai Binh and Can Tho provinces.
-  Support Khanh Hoa fisheries development fund.
-  Sponsored the construction of the Memorial of Heroic Martyrs of Kien An, Hai Phong City.
-  Support to build a bridge across Khuoi Lang stream, Bac Quang district, Ha Giang province.
-  Organize the social charity program "Warm Winter for Children" in 2023 in Nam Phong commune, Phu Yen district, Son La Province.
-  The program "Going home with PVOIL to celebrate Tet" Spring Giap Thin 2024 by the Youth Union of PVOIL in collaboration with the Student Support Center of Ho Chi Minh

City and the delegation of Ho Chi Minh City University of Technology and Education, Vietnam National University, Ho Chi Minh City University of Economics... organized. This is the 6th year that PVOIL has implemented this meaningful program, supporting nearly 1,000 students each year to return home to celebrate Tet;



Some images of PVOIL's charitable social work in 2023

CONFIRMATION BY THE COMPANY'S LEGAL REPRESENTATIVE

PRESIDENT & CEO

(Signed)

Doan Van Nhuom

PART VII

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

Please see at the link below:

<https://www.pvoil.com.vn/en-US/investor-relations/financial-statements/2023-7>