**OIL: Explanation on shares being put under sustained alert**

On March 25, 2024, PetroVietnam Oil Corporation announced Official Dispatch No. 2059/DVN-KH regarding OIL shares being put under sustained alert as follows:

In PVOIL's Consolidated Financial Statements 2023, there is 1 qualified opinion, down 2 qualified opinions compared to the Financial Statements 2022, related to PVOIL's investment in Công ty Cổ phần Hóa dầu và Nhiên liệu Sinh học Dầu khí (tentatively translated as Petroleum Petrochemical and Biofuel Joint Stock Company) as follows:

“The value of PVOIL's investment in Petroleum Petrochemical and Biofuel Joint Stock Company (PVB) is VND 271,593,756,068 as of December 31, 2023 based on PVB's unaudited Financial Statements data for the fiscal year ending December 31, 2022 prepared on the basis of meeting the going concern assumption. At the date of this report, the Corporation is still waiting for approval from agencies to implement the bankruptcy plan for PVB. Based on current information, the audit company cannot collect sufficient appropriate audit evidence related to the investment in PVB under the owners' equity method on the Corporation's Consolidated Financial Statements of the Corporation for the fiscal year ending December 31, 2023. Therefore, the audit company cannot determine whether it is necessary to adjust these figures”.

* Explanation:

This is PVOIL's capital investment in Petroleum Petrochemical and Biofuel Joint Stock Company (PVB) - an affiliated company of which PVOIL owns 39.76% of charter capital to build Phu Tho Biofuel plant (arising before PVOIL's equitization, the project has stopped construction since 2012, before the time PVOIL converted from a limited liability company to a joint stock company). Up to now, it is still in an unfinished state, not yet handed over to the investor by the contractor and the construction projects have not yet been accepted and settled. This project is among 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 is proposed to consider dissolution and bankruptcy according to legal regulations.

PVOIL has submitted a document to Vietnam Oil and Gas Group proposing to redefine this investment to VND 0 when implementing equitization settlement (understood as removing this investment from the joint stock company). During the process of implementing project bankruptcy procedures, if there is any amount from the asset liquidation at Phu Tho Biofuel Plant, PVOIL will pay the entire amount to the Enterprise Arrangement and Development Fund. This issue has been requested by the Vietnam Oil and Gas Group for resolution from the Committee for Management of State Capital at Enterprises in Official Dispatch No. 3540/DKVN-HDTV dated July 1, 2019 on rearranging and handling real estate and difficulties in finalizing PVOIL's equitization. Up to now, this matter has not been considered and handled by the competent authorities.

On the other hand, in the legal documents guiding the appropriation and handling of provisions for loss of financial investments, there are no guidance for provisions for projects that have stopped construction and are in unfinished construction stage such as the Phu Tho Biofuel Plant project mentioned above.

* Remedial measures:

Currently, the Government has agreed to remove the Phu Tho Biofuel Plant project from the monitoring and handling list of the Steering Committee for handling shortcomings and weaknesses of a number of slow progress and ineffective projects and enterprises in the Industry and Trade sector; and assigned the Vietnam Oil and Gas Group to proactively decide and implement the handling and restructuring of the project according to its authority and provisions of law.

PVOIL and PVB are actively working with PVB's shareholders and related parties to consider and decide on a bankruptcy plan for PVB in accordance with the law to have a basis to handle this issue.

If PVB completes bankruptcy procedures or the state agency issues a document guiding financial handling for cases such as the Phu Tho Biofuel Plant project, PVOIL will overcome this qualified opinion and PVOIL shares will be released from the alert status.

The problem related to the above investment at PVB existed before PVOIL switched to operating as a joint stock company and does not affect PVOIL's orientation, development plan and production and business activities that were announced to shareholders.