

Ref: 06/2023/TTr-DHDCĐ  
21<sup>st</sup> April 2023

**SUBMISSION**

Re: Profit distribution of 2022 and plan in 2023

Addressed to: The General Meeting of Shareholders  
Petrovietnam Drilling & Well Service Corporation

*Pursuant to Point b Item No.2, Article 14 of Charter of Petrovietnam Drilling & Well Service Corporation (PV Drilling) assigning rights and duties of the Annual General Meeting of Shareholders on determining annual dividend payment for each type of share in conformity with Enterprise Law and rights attached to each type,*

PV Drilling's Board of Directors submits to the Annual General Meeting of Shareholders the Profit distribution of 2022 and plan in 2023 as Appendix attached herewith.

We submit to the Annual General Meeting of Shareholders for consideration and approval.

Yours sincerely,

***Recipients:***

- As above;
- File: BOD Secretary.

**ON BEHALF OF PV DRILLING'S  
BOARD OF DIRECTORS  
Chairman**

*(signed and sealed)*

**Mai The Toan**

## **APPENDIX**

### **PROFIT DISTRIBUTION OF 2022 AND PLAN IN 2023**

*(Attached with the Submission Ref. 06/2023/TTr-DHDCD dated 21<sup>st</sup> April 2023)*

#### **I. The profit distribution report 2019-2021**

Pursuant to clause 1 Article 4 of Resolution No. 02/2021/NQ-ĐHĐCĐ dated 04/08/2021 and clause 1 Article 6 of Resolution No. 01/2022/NQ-ĐHĐCĐ dated 21/04/2022 of Annual General Meeting of Shareholders (AGM), the AGM has approved the profit distribution 2019-2021 in the form of stock dividend with the rate of 10% of charter each year.

After receiving approval from The Commission for the Management of State Capital at Enterprises, PV Drilling has accomplished its stock dividend payment plan of 2019-2021 in Q3/2022. Accordingly, the main points of the implementation were as follows:

- a. Payment ratio: 30% (10% each year).
- b. Number of shares being issued: 134,750,217 shares.
- c. Total par value of issuance: 1,347,502,170,000 VND (one thousand three hundred forty-seven billion five hundred and two million one hundred seventy thousand Vietnam Dong).
- d. Charter Capital after paying dividends: 5,562,960,060,000 VND.
- e. Stock dividend: issued from retained earnings.

#### **II. Business performance and profit distribution plan 2022**

##### **1. Business performance 2022**

The Russia-Ukraine conflict, the West's sanctions against Russia, the Fed's Interest Rate Hike and rising inflation in some countries have had a negative impact on the economy in general and the oil and gas industry in particular. The increased oil price from the second half of 2021 to 2022 has had a positive impact on the oil and gas market, which has led to an improved demand in the Southeast Asia drilling market. However, the rigs demand in the domestic market was still low with the few drilling programs, PV Drilling continues to face limited workload, low service prices and high expenditures; especially increased financial costs due to the impact of rising exchange rates and interest rates. Despite the company's efforts in implementing solutions to seek clients and helping revenue growth increase by 49% compared to over year and 27% compared to plan approved by AGM, PV Drilling still had to record a loss in business results in the year 2022.

Items on Holding company's financial statement	Unit	Actual 2022	Plan 2022	var vs. Plan	Actual 2021	var vs. 2021
1. Revenue	Bil. VND	4,334	3,400	27%	2,916	49%
2. Profit before tax	Bil. VND	(159)	45		29	
3. Profit after tax	Bil. VND	(157)	45		29	
4. Funds distribution	Bil. VND	-			7	
4.1. Investment and development fund	Bil. VND	-			-	
4.2. Welfare and reward fund	Bil. VND	-			6	
4.3. Management bonus fund	Bil. VND	-			1	
5. Retained earnings	Bil. VND	(157)			22	

## 2. Profit distribution plan 2022

PV Drilling proposes not to pay dividends in 2022 due to unprofitable results.

## III. Profit distribution plan 2023

Although the drilling market has positive signals such as improved rig utilization efficiency and day rates, PV Drilling still faces many difficulties and challenges such as continued fierce competition, a weak domestic market and the unpredictable political economy. According to the business plan 2023 submitted to the Annual General Meeting, although PV Drilling's business results in 2023 are expected to be better than 2022, the main financial indicators are still very modest. Specifically, the holding company's profit after tax is expected to reach only about 120 billion VND while the consolidated profit after tax is forecasted to be 100 billion VND. Therefore, PV Drilling will consider and submit a dividend plan to shareholders in 2023 at the Annual General Meeting in 2024 in accordance with the actual business situation and results.

## IV. Petition

The Board of Directors proposes to the Annual General Meeting approving no dividend payment for the year 2022.

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