



海洋石油工程股份有限公司  
Offshore Oil Engineering Co., Ltd.

# 2023 Annual Results

—— Stock Code: 600583. SH ——

March 19, 2024



This document contains the Company's prospective information, including statements about the potential business development of the Company, for example, expected events, business prospects or financial results. Words such as “expect”, “plan”, “will”, “forecast”, “target” and “sustainability” and similar expressions are intended to identify such prospective statements. These statements are made based on the assumptions and analysis of the Company on this date depending on its experience, understanding of development trends, current situation and expected development, and other reasonable factors that the Company currently believes. However, there is an uncertainty as to whether the actual achievements and development can meet the current expectations and forecasts of the Company. The actual performance, achievements and financial situation may be significantly different from the Company's expectations due to these uncertain factors, including but not limited to macro political and economic factors, factors related to the fluctuation of crude oil and natural gas prices, sharp competition of the oil and natural gas industry, climate change, changes in environmental protection policies and laws and regulations for corporate governance.

Accordingly, all prospective statements made in this document are subject to these cautious statements. The Company cannot guarantee that the expected performance or development will be realized, or cannot guarantee that the expected performance or development will take the expected effect on the Company, its business or operation even if such expected performance or development are realized to a great extent.





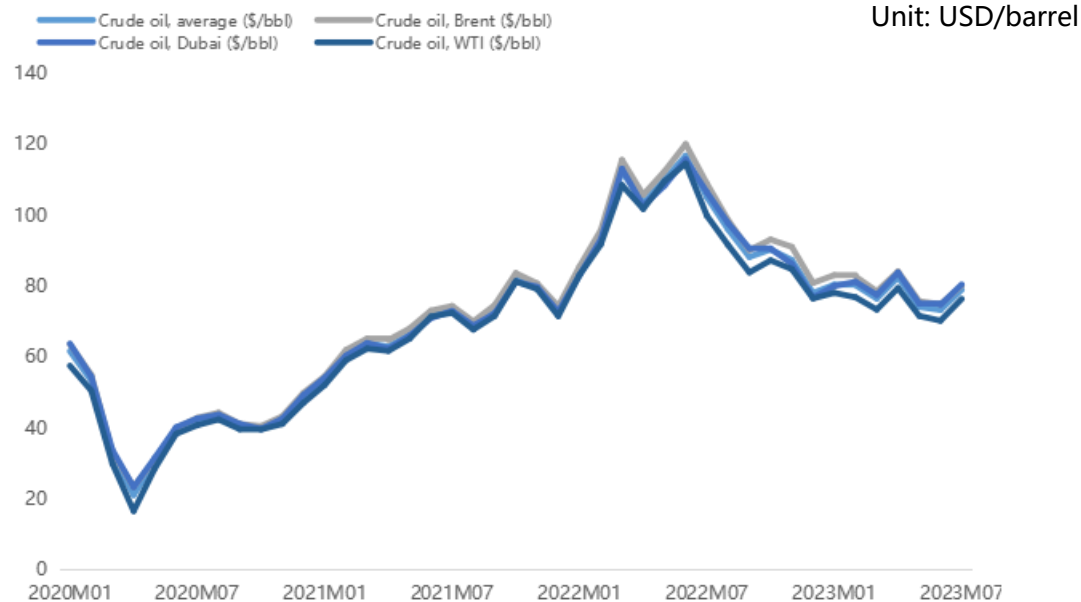
## I. Performance Review

## II Annual Prospects

# Review of Business Environment

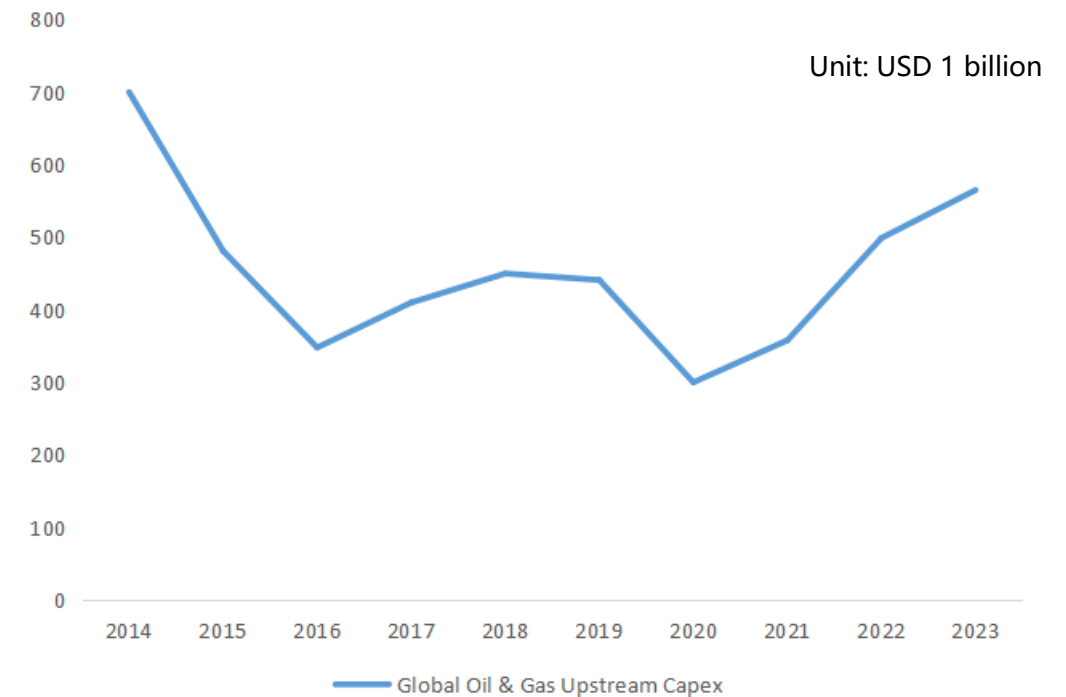
- ◆ In 2023, the international oil price kept fluctuating within a range, and it will fluctuate sharply with the influence of changes in international geopolitics and output reduction of OPEC.
- ◆ The total global oil & gas upstream Capex continued to increase, **and the marine energy engineering maintained a good prosperity.**

International Oil Price Trend (January 2020-December 2023)



\* Data source: WIND

Global Oil & Gas Upstream Capex



\* Data source: IEF, S&P Global Commodity Insights

# A Historic Breakthrough in Business Performance

- ◆ The Company has achieved a historic breakthrough in business performance through continuous consolidation of high-quality development foundation by following the development orientation of “building a world-class marine energy engineering company with Chinese characteristic in all respects” and adhering to strategic guidance.
- ◆ The income reached the highest level in history, the total profit reached the highest level of the Company in recent 7 years, and the “one profit and five rates” indicator achieved a simultaneous increase both in quantity and quality.

38.09%

Asset liability ratio

6.22%

Return on equity

16.67%

Operating cash flow ratio

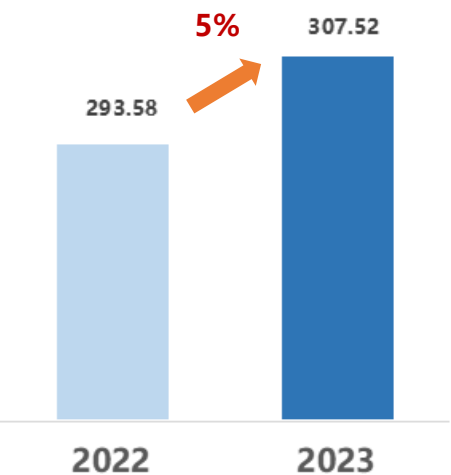
783,300 RMB/person/year

Overall labor productivity

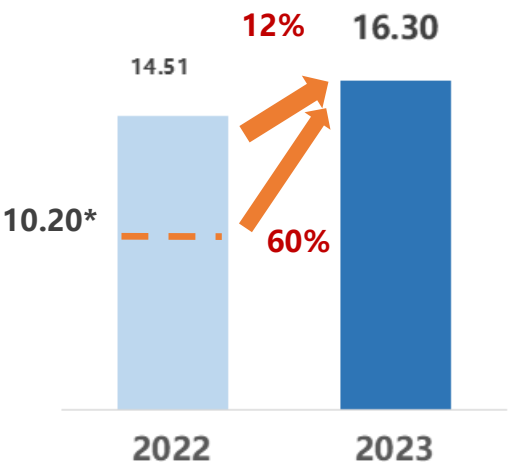
3.76%

R&D investment

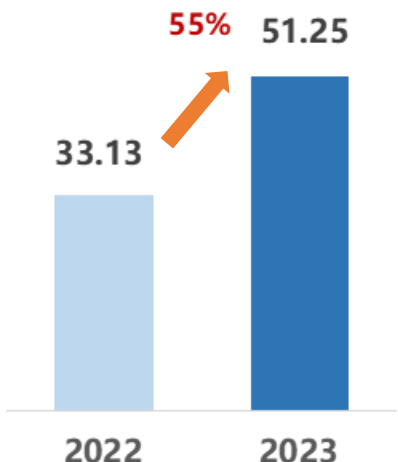
Operating income



Net Profit



Net cash flow from operating activities

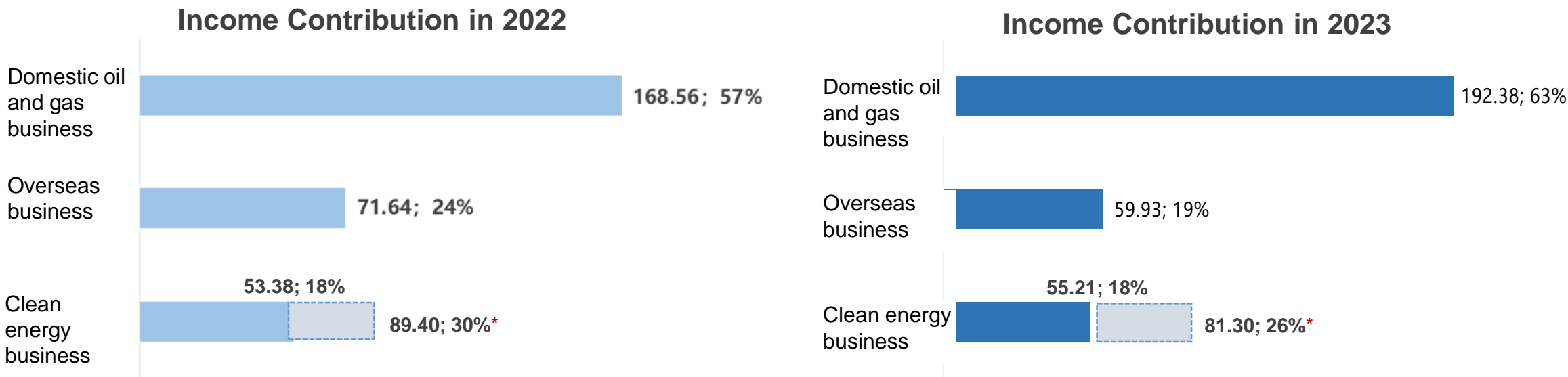


\*Excluding the impact from one-time statement consolidation of COOEC Fluor in 2022

# Steady Development in Three Major Business Fields

- ◆ The annual operating income increased by RMB 1.394 billion year-on-year by implementing the Company's strategy, further exploring the traditional oil and gas engineering business, and actively developing overseas business and clean energy fields. **Domestic oil and gas business income** accounted for 63%, **with a year-on-year increase of RMB 2.382 billion**; **overseas business income** accounted for 19% and profits accounted for 29%, **with a significant year-on-year increase**.

Unit: RMB 100 million



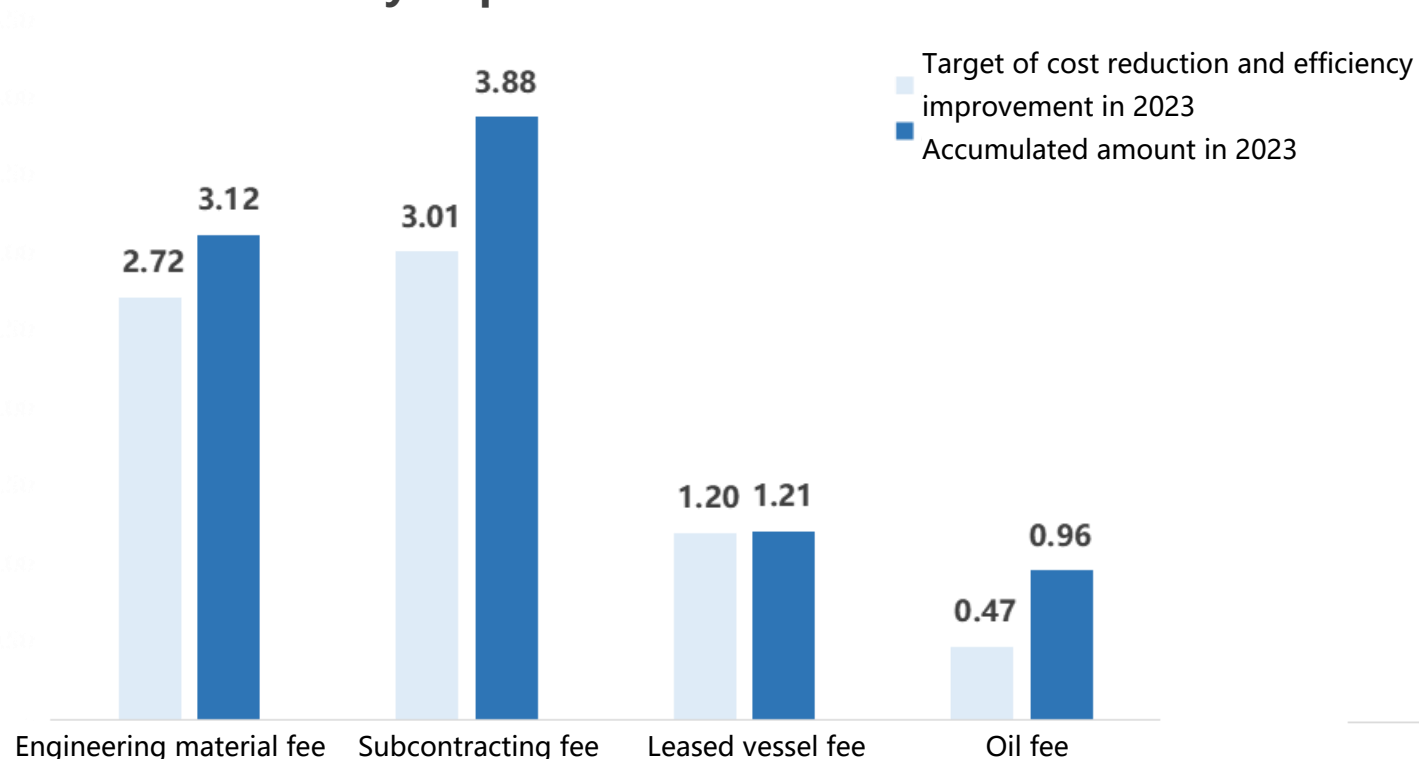
\*: Including LNG projects in Hong Kong and Canada.

# Deep Integration of Cost Reduction and Quality and Efficiency Improvement with Value Management

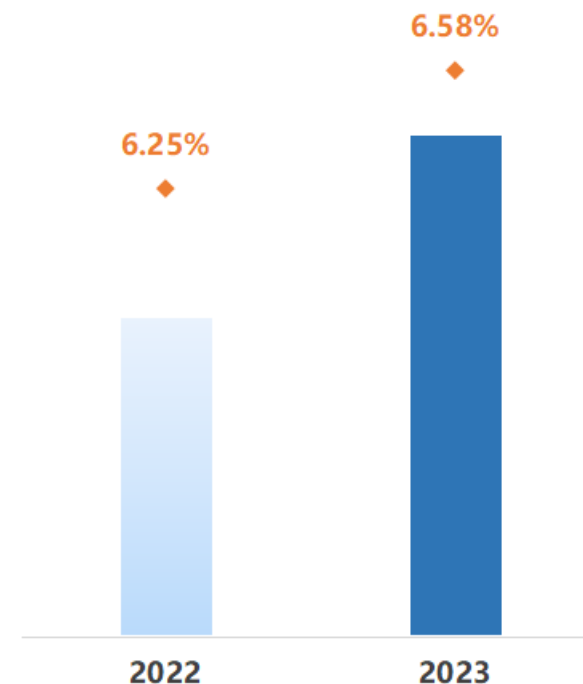
- ◆ The company carried out in-depth cost reduction, quality and efficiency improvement, paid more attention to “four major fees” (subcontracting fee, leased vessel fee, engineering material fee and oil fee), and continue to deepen the application of “long-term mechanism” . The control effect of the four major fees accounts for 89% of the annual cost reduction and profit increase, and the profit rate of costs and expenses has been further improved.

Unit: RMB 100 million

## Cost Reduction, Quality and Efficiency Improvement



## Profit Rate of Costs and Expenses

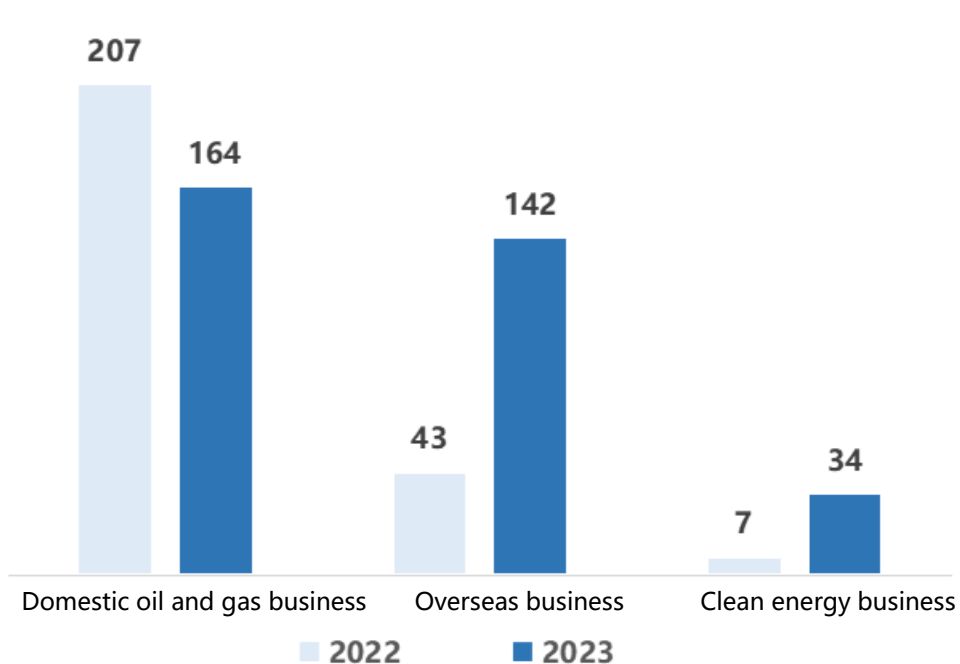


# Achieving a Record High in Contracting Amount

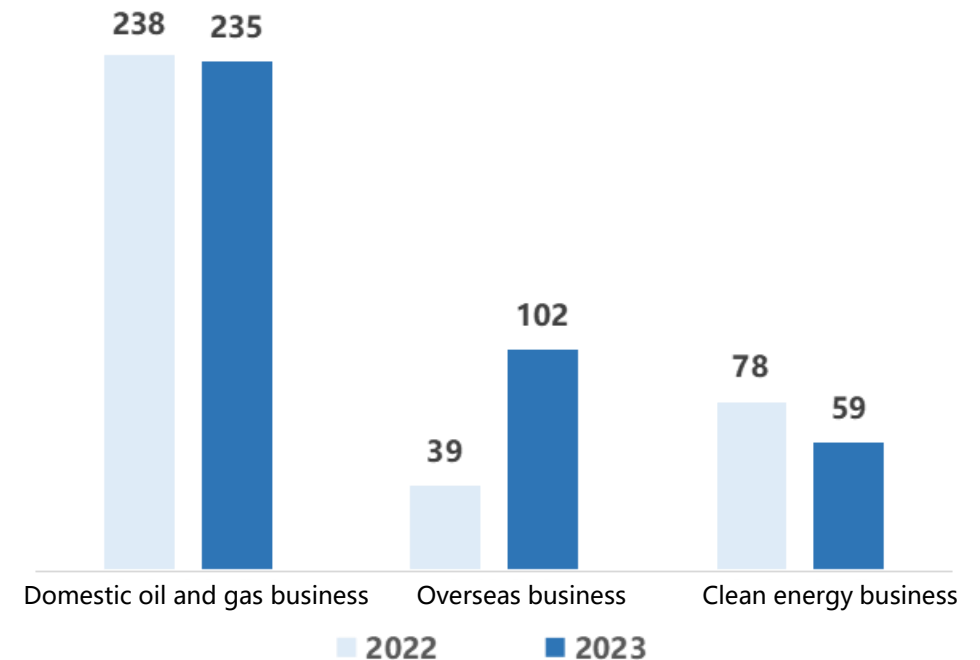
- ◆ The **contracting amount** in domestic and overseas markets reached **RMB 33.986 billion** in 2023, including **RMB 14.176 billion from the overseas business**, reaching record highs both in domestic and overseas markets. At the end of the period, **the orders in hand were nearly RMB 39.6 billion**.

Unit: RMB 100 million

## Contracting Amount



## Orders in Hand





- ◆ The Company continued to strengthen overseas market development, won a number of overseas projects, and has realized the **historic transformation from an international engineering subcontractor to an international engineering general contractor.**



## ➤ Saudi Aramco LTA CRPO 122 Project

- Design, procurement, construction and installation works of 13 platform jackets, with a contract amount of about RMB 2 billion.
- China's first independent general contracting project for Saudi Aramco offshore oil and gas.

## ➤ ISND5-2 Project of QatarEnergy

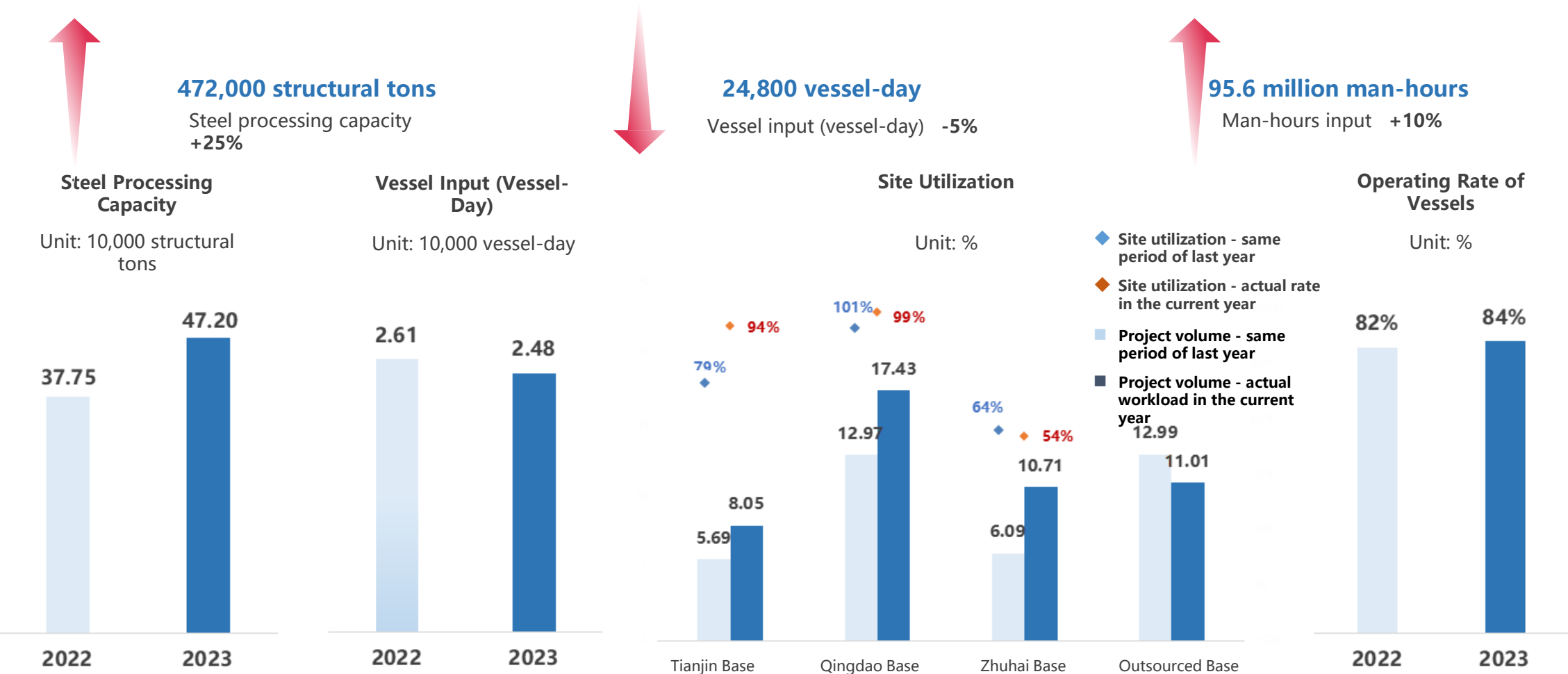
- The contract amount exceeds RMB 4 billion.
- General contracting project for laying subsea pipelines and umbilical cables between 3 platforms and jacket platforms.

## ➤ Ruya EPCI 09 Project of Qatar NOC Company

- The contract amount exceeds RMB 6 billion.
- General contracting project for 38 subsea pipelines and 9 composite subsea cables.

# Stable and Orderly Production and Operation

- ◆ The efficiency of self-owned resources has been improved and the land construction capacity has been continuously released for three consecutive years, so that **the project volume has reached a record high** and the utilization rate of vessels has been increased steadily.
- ◆ In 2023, 95.6 million man-hours were input, with a year-on-year increase of 10%, and **the performance in work safety remained at a high level for nearly ten years**.



# Achievements of Key Projects



## ➤ Laying of Subsea Pipelines in the Second Phase of "Deep Sea I"

- It marks **an important breakthrough of China in the deep-water long-distance subsea pipeline construction capacity and deep-water equipment technology.**
- 20-inch subsea pipeline is adopted in the project, with a total length of 115.5 km. This is the first deep-water mixed subsea pipeline with the longest underwater tie-back distance in China, setting a new record in the wall thickness of deep-water subsea pipelines in China..



## ➤ Completion of the Main Structure of "Haiji II"

- It breaks two **Asian records**: the height of 339 m and the weight of 37,000 tons.
- It overcomes the major technical problems such as control in flexible deformation size of S420 domestic deepwater super-large high-strength steel jacket.



## ➤ Shell LNG Project in North America

- With the world's first integrated construction mode of core process module and pipe gallery, it realizes the new NBG welding process without shielding gas at the back for the first time.
- The successful delivery of all 35 core modules marks that the company's **LNG high-end modular construction capability has ranked first echelon in the international industry**

# Achievements of Key Projects (Continued)



➤ **Successful Installation of Dynamic Positioning Floating on Enping 20-4 Drilling Platform, Setting a New Domestic Record in Weight**

- The platform weighs over 15,000 tons.
- The key operations in the whole process fills the **technical gap of China in independent design and installation of dynamic positioning floating.**



➤ **Completion of the Main Structure of "Offshore Oil 122" Floating Production Storage and Offloading Device**

- It is the Asia's first cylindrical "offshore oil and gas treatment plant" .
- It marks that **a high level of autonomy in the design and construction technology of all types of floating production storage and offloading devices has achieved in China.**



➤ **Successful Put-into-service of Bozhong 19-6 Gas Field Phase I Development Project**

- It is the first 100 billion m3 of gas field in Bohai Sea of China.
- The system design of offshore cyclic gas injection development scheme **and the design, packaging and commissioning of the highest pressure offshore gas injection compressor are independently completed for the first time in China.**



# Key Scientific and Technological Achievements in 2023

- ◆ The Company has made great efforts to lay a solid foundation for innovation, and carried out 108 key scientific and technological projects around floating production devices, underwater production systems and products, clean energy, digital intelligence and other technical directions, and invested RMB 1.186 billion in scientific and technological research and development to promote the transformation of 202 achievements throughout the year.

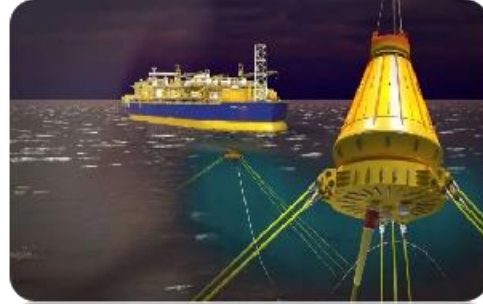
Major breakthrough in the independent development and demonstration application of the deep-sea floating wind power platform



Significant progress in independent design and construction of cylindrical FPSO



Great breakthrough and application of single-point mooring system for 100 m-class turret



Successful sea trial of 2,500 m ultra-deep water pile hammer system



Breakthrough in key technologies by structural components and landmark products for platform



Major breakthrough in engineering technology of 300 m deepwater jacket



Major breakthrough in technical innovation of shallow underwater production system



Formal put-into-use of the first offshore carbon sequestration demonstration project in China



Technological innovation and application of digital construction based on discrete characteristics



Major breakthrough in deep trenching technology for large-diameter subsea pipelines in restricted areas



# Laying a Solid Foundation for Green and Low-carbon Transformation

## “New blueprint”

The Company released the White Paper on Low-carbon Development of Port-surrounding Intelligent Manufacturing Base, and draw a new blueprint for “green+intelligent” manufacturing.

## “New driver”

With a total installed capacity of nearly 9 MW, an annual output of 9.3 million kWh of green electricity and 7,500 tons of carbon reduction, the three major sites are covered by PV power generation; Vessels of "Offshore Oil 226" are equipped with the first commercial wind-driven drum booster system in Asia, and the estimated annual fuel saving rate is about 12%.

## “Low carbon”

A total of 33 LNG storage tanks under construction throughout the year can provide LNG storage capacity of 7.53 million m3 after being put into use.

## “Zero carbon”

China's first deep-sea floating wind power platform “CNOOC Guanlan” built by the Company has been successfully put in electricity generation and connected into the power grid of Wenchang Oilfield Group. It can generate 22 million kWh of green electricity per year and reduce 22,000 tons of carbon dioxide emissions.





# Excellent Performance in the Capital Market

- ◆ In 2023, the Company ranked 68th among the "Top 250 Largest International Contractors in the World" and 98th among the "Global Top 250 Contractors" in Engineering News Record (ENR).
- ◆ In 2023, it won many awards in the capital market such as Top 100 Listed Companies by Value, ESG Top 100 Listed Companies, Outstanding Board of Directors of Round Table Award, and Tianma Award of the Best Investor Relations.

Top 100 Listed Companies by Value



Best Board Secretary Award in WOM List



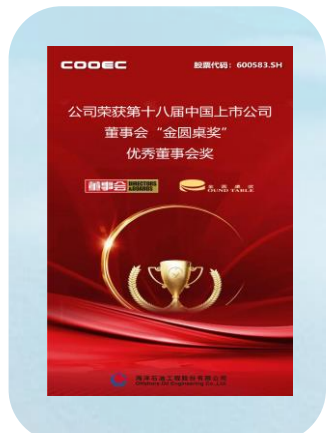
ESG Top 100 Listed Companies



Outstanding Practice Cases of the Board of Directors



Excellent Board of Directors of Round Table Award



Top 100 Listed Companies by Health Indexes



Tianma Award for the Best Investor Relations



Golden Bull Award in Outstanding Disclosure Management



Best Investor Relations Team



Gold Medal of Innovative Board Secretary Award



Golden Bull Award of the Top 50 Carbon Neutral Companies



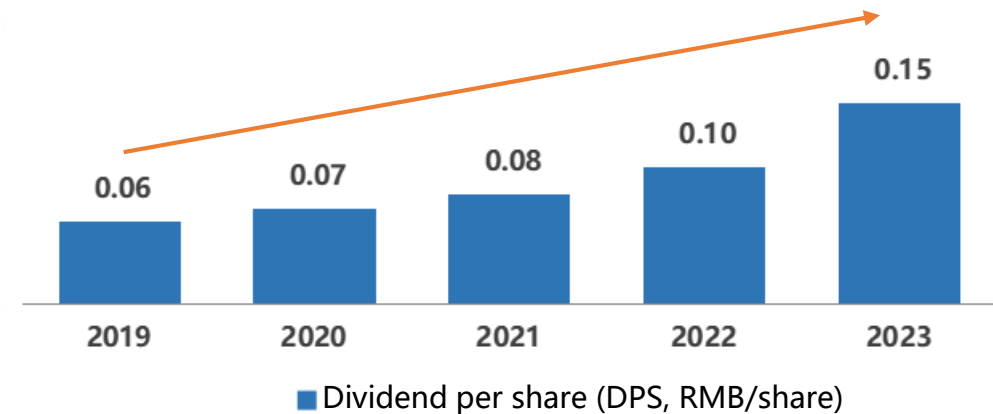
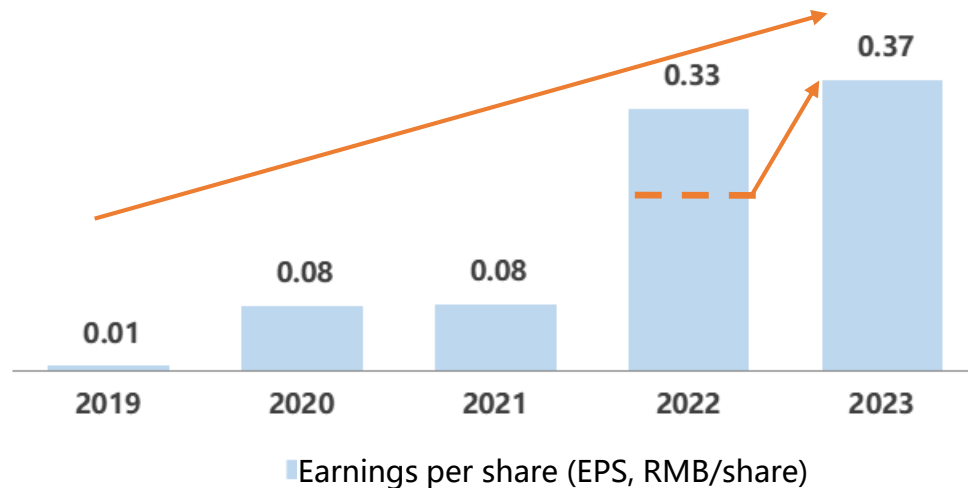
Outstanding Board Secretary Award of the Year



# Adequate Benefits to Shareholders

## ◆ Suggestions from Board of Directors

- In 2023, the cash dividend per share was about RMB 0.15 (tax-inclusive);
- The total amount of cash distributed was about RMB 650 million, with an increase of **47% compared with that in 2022**;
- The benefit distributed accounted for 40.11% of the net profit attributable to shareholders of listed companies in 2023.



\* Earnings per share = net profit attributable to shareholders of listed companies/number of shares



**I. Performance Review**

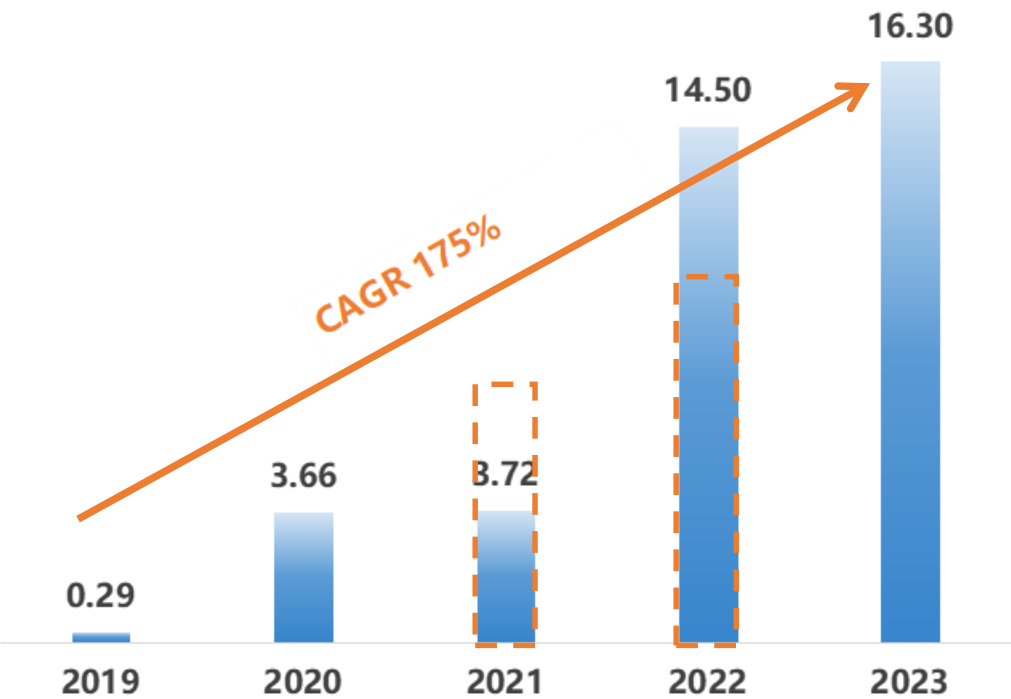
**II Annual Prospects**

# Review of Performance in Recent Years

- During 2019-2023, the Company's performance **maintained rapid growth**, and its annual sales revenue **reached a new record of RMB 30 billion**, achieving the target in “14th Five-year Plan” in advance, and we should maintain an average annual growth rate of around **7%** in the next decade;
- The key point for this year and next year is to deepen the application value management system, form the core competence and comparative competitive advantage that are more suitable for the **domestic and overseas markets**, and lay the foundation for achieving the development goal of an output value of RMB 60 billion by 2035 and ascending into the “Level 1” international first-class companies.

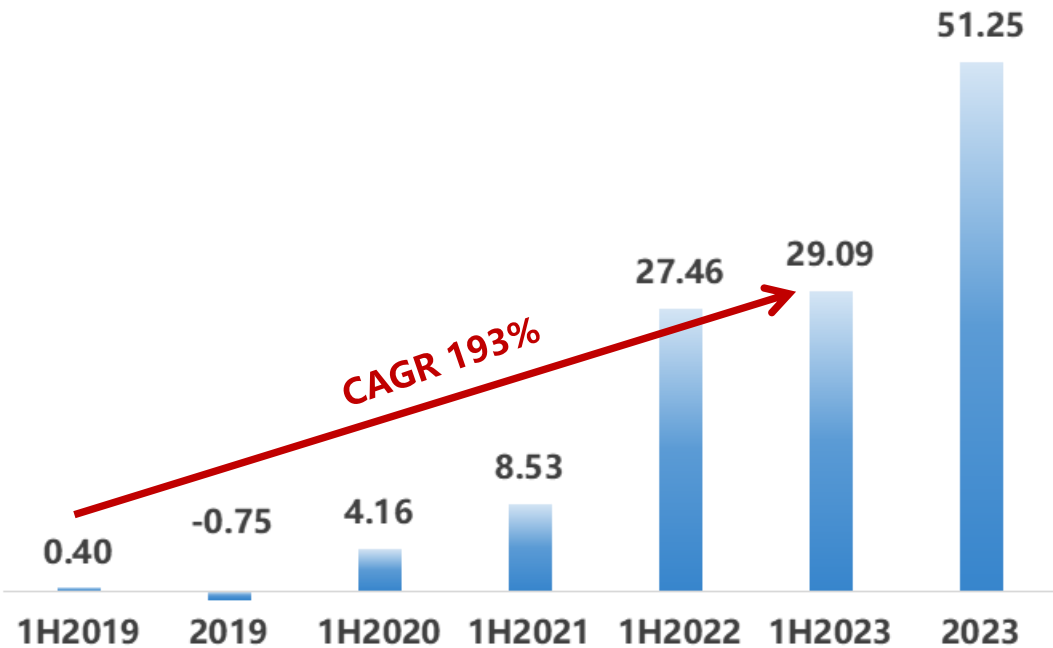
### Net Profit

Unit: RMB 100 million

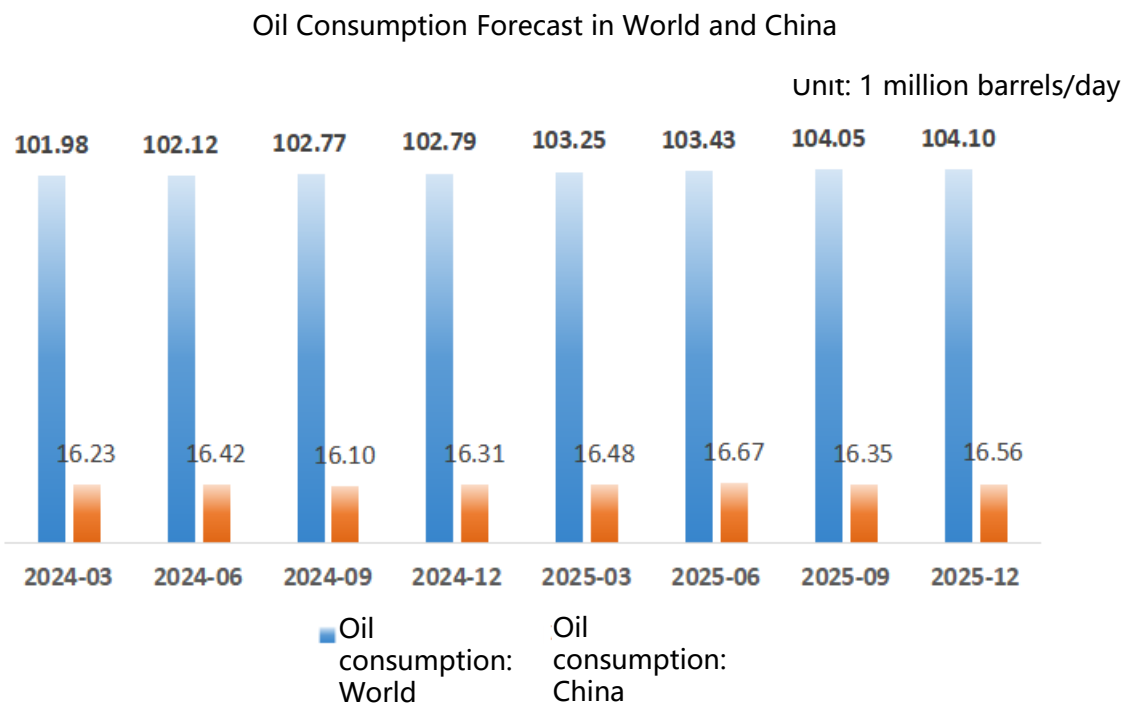


\* Excluding the impact from non-operating factors on impairment and consolidated statements of COOEC Fluor in 2021-2022.

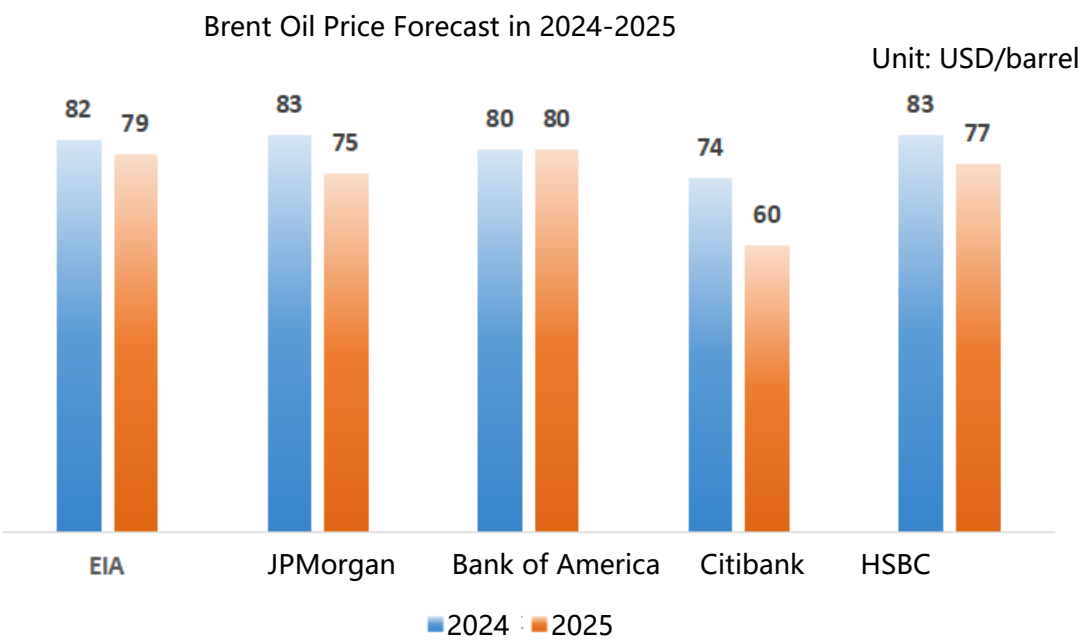
### Net Cash Flow from Operating Activities



- ◆ The global oil and gas supply is tight while the demand keeps growing, so the gap between the supply and demand still exists. In addition, due to the influence of geopolitics, OPEC production control and other factors, the international oil price will remain in medium and high level, and the high prosperity in the industry is expected to continue.
- ◆ China will adhere to the long-term development goal of ensuring energy security, and the domestic oil & gas upstream Capex will remain high in the next 1-2 years.

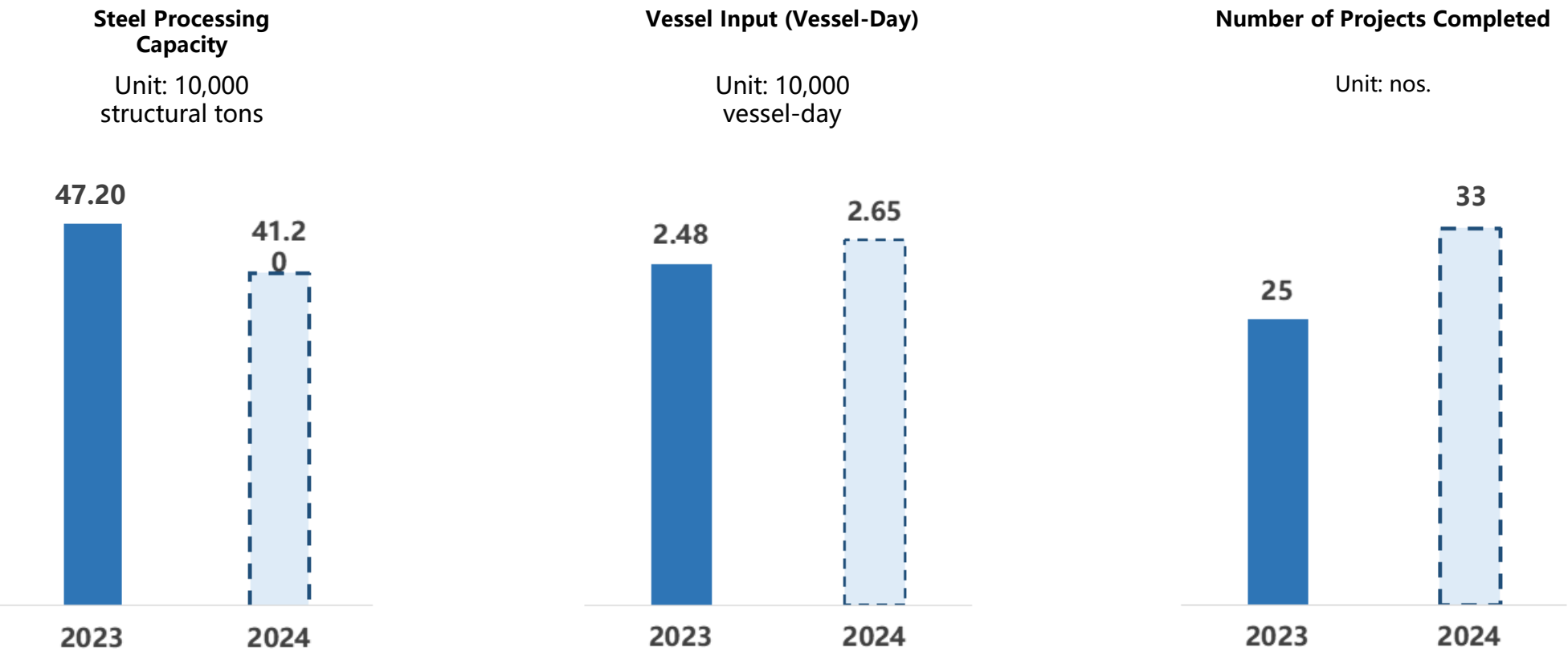


\* Data source: WIND



\*Data source: research report of an institution

- ◆ The volume of construction works will be maintained at more than 400,000 structural tons, the volume of installation works will be about 26,500 vessel-day, and 33 projects will be completed and delivered.





# Continuously Enhancing Market Value

- ◆ The Company promoted the efforts both in domestic and overseas markets, and optimized the layout of traditional businesses and emerging markets.

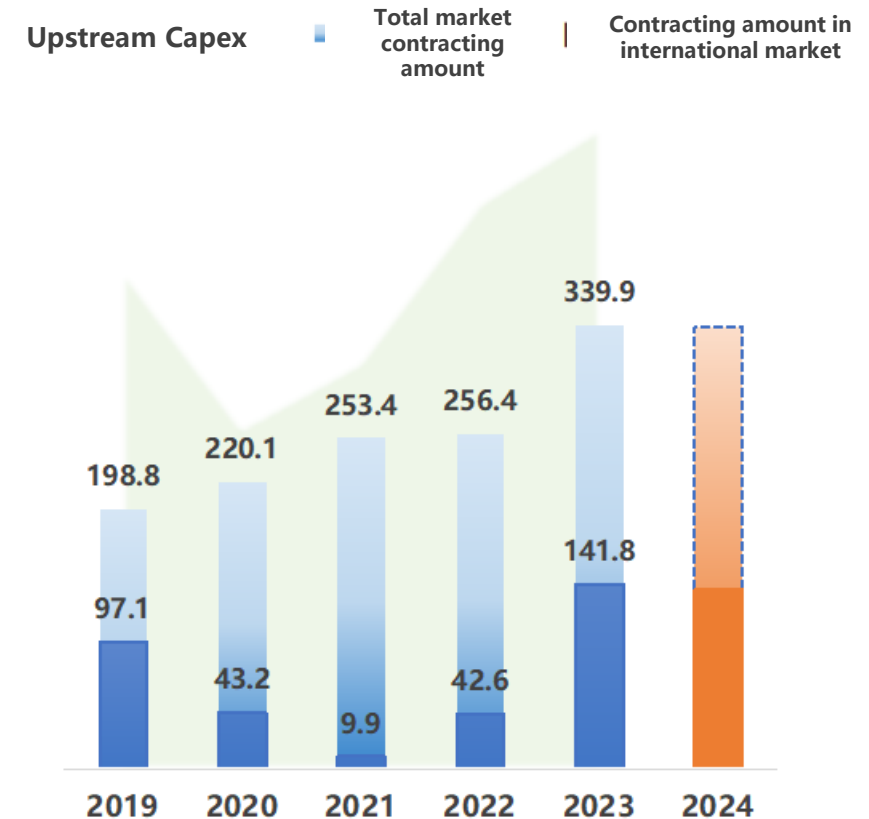
- **Firmly expanding overseas markets**

- ✓ Persistently make efforts in the regional markets such as the Middle East and South America markets, focus on following up overseas projects such as Petronas, Saudi Arabia, Qatar and Guyana projects, and strive for greater breakthroughs in overseas markets;
- ✓ Systematically plan supporting policies for overseas market development, accelerate the development of overseas localization and entity construction, and accelerate the development of resource coordination and project implementation capabilities.

- **Persistently expanding the new energy market**

- ✓ Deeply develop the deepwater wind power business and follow up the subsequent projects such as floating wind power in eastern Guangdong;
- ✓ Persistently expand the LNG clean energy market, strive for greater achievements in China, and branch out into global market;
- ✓ Accelerate the development of technical reserves and engineering construction capabilities for CCUS, hydrogen energy engineering, marine ranching works, etc. to achieve differentiated development advantages.

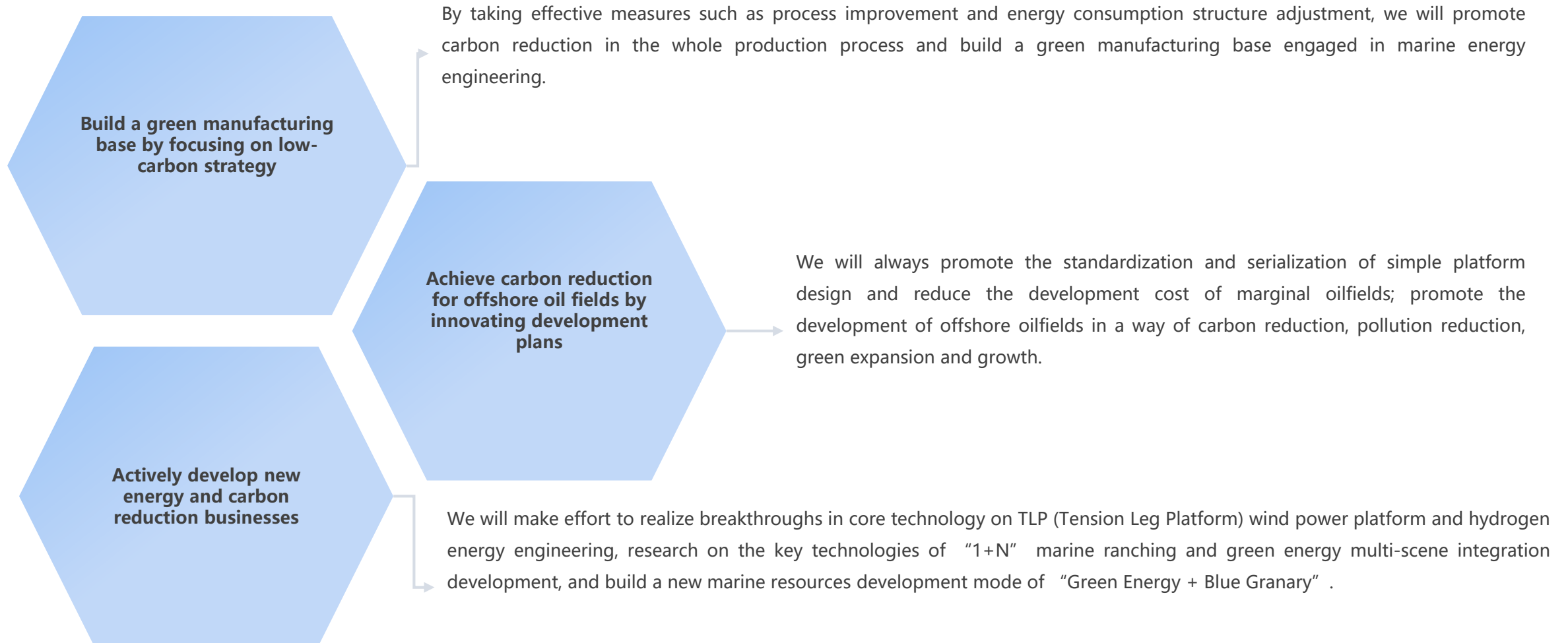
Contracting Amount Trend



\* Data source: IEF, S&P Global Commodity Insights

# Adhering to Green and Low-carbon Development

- ◆ With the vision of **being a powerful practitioner for implementing low-carbon production and an effective provider of low-carbon solutions**, we will strengthen the dual control of energy consumption and carbon emission and actively promote the transformation to green and low-carbon development.



Focus on R&D objectives of service strategy

- Build the technical core competence oriented by “Series Products, Technical System and Industrial Chain/Supply Chain” by focusing to three key points of “Product+Technology+Service”.

Create a market-oriented innovation and research ecology

- Transform from endogenous innovation to open innovation, and transform from technology following to technology leading.



Improve the product-oriented technical system

- Put priority on key research and development tasks such as integrated testing of underwater Christmas tree and control system, key technologies of intelligent manufacturing, and large megawatt floating wind power technology.

Change the future-oriented development model

- Deepen the application of data governance achievements, orderly implement the blueprint scheme of digital transformation, and enhance the core competence of digital intelligent management and digital delivery

Deepwater floating production storage device and supporting system



Representative product ultra-deep water ultra-large FPSO

Underwater production system and key equipment accessories



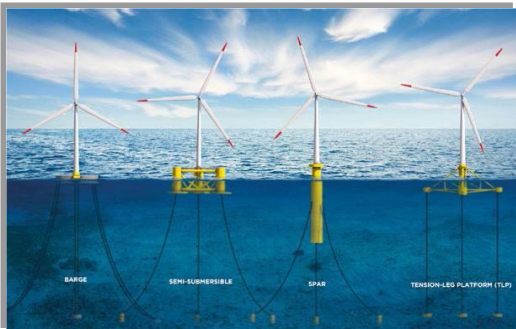
Representative product underwater product

Standardized intelligent manufacturing solution for ocean engineering



Representative product intelligent welding robot

Solution to new energy development and comprehensive utilization



Representative product offshore wind power





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# 卓越工程 赋能未来

*Empower the Future with Excellent Engineering*

