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**CNOOC Limited**

**(中國海洋石油有限公司)**

*(Incorporated in Hong Kong with limited liability under the Companies Ordinance)*

**Stock Codes: 00883 (HKD counter) and 80883 (RMB counter)**

## **2023 Annual Results Announcement**

### **CHAIRMAN'S STATEMENT**

Dear shareholders,

In the year of 2023, global economy was faced with heightened downward pressure, and the average international oil prices dropped significantly. In spite of the challenging external environment, CNOOC Limited pursued high-quality development effectively, achieved record-high reserves and production, and maintained a high level of profitability. We remain committed to high-standard corporate governance and actively rewarding shareholders. Our efforts were well received by the capital market and our share prices recorded new highs. On behalf of the Board, I would like to express my sincere gratitude to all shareholders for your trust and support to the Company.

During the past year, we maintained a value-oriented approach and implementing effective measures, sustaining the growth momentum in oil and gas exploration. We made a total of 9 new discoveries, brought the net proved reserves to our best level in history and the reserve life remained over 10 years for the seventh consecutive year. In China, we successfully discovered several oil and gas fields with proved in-place volume over 100 million tons respectively, and discovered China's first large deep-play coalbed methane field with proved in-place volume of over 100 billion cubic meters. Overseas, one more oil field with proved in-place volume over 100 million tons was discovered in Guyana. We have further strengthened natural gas exploration, so as to lay a solid foundation for the development of three trillion-cubic-meter gas areas in the South China Sea, Bohai Sea, and onshore China.

We adhered to the integration of exploration and exploitation, continued to promote application of engineering standardization, and accelerated the pace of reserves-to-production conversion. We actively pushed forward the construction of major projects, and a number of key projects were successfully brought on stream during the year. Through optimizing water injection and effective water-cut control measures, we maintained stable production from producing oilfields and further refined the development of oilfields. The net production of oil and gas reached 678 million BOE, hitting a record high for the fifth consecutive year. Bohai remained the largest crude oil production base in China.

We advanced technological innovation, continuously enhanced our capability to tackle key technological challenges, and made significant progress in our digital transformation. China's first domestically-made subsea production system, which can operate in a water depth of 500 meters, has produced over a hundred million cubic meters of gas. "Shenhai-1" has become the world's first super-large deepwater platform with capabilities of remote control operation. Liuhua oil field has realised remote production operation through typhoon automatic control mode for the first time.

We steadily implemented green development initiatives, facilitated the integration of new energy business with oil and gas operation, and gradually promoted the development of zero-carbon and negative-carbon sectors. During the year, we completed the construction of the Bohai oilfields onshore power project. The world's first semi-submersible "Double Hundred" deep-sea floating wind power project started operation. China's first offshore CCS demonstration project was officially launched. Our efforts to manage energy consumption and carbon intensity continued to improve through measures such as flare gas recycling, green electricity substitution and waste heat recovery.

By implementing quality and efficiency enhancement initiatives, we have witnessed steady improvement of our high quality development. The Company achieved an operating revenues of RMB416.6 billion and net profits attributable to equity shareholders of the Company of RMB123.8 billion, maintaining a strong profitability despite lower international oil prices. We have reinforced our research in key indicators and precisely implemented measures to reduce costs and enhance efficiency. Our all-in cost was US\$28.83 per BOE, further strengthening our cost competitiveness. To share the accomplishment with our shareholders, the Board of Directors has recommended the payment of a final dividend of HK\$0.66 per share (tax inclusive) for 2023.

While maintaining a robust development of our business, we have consistently adhered to high standards of safety management and our operations maintained safe and stable throughout the year. We uphold the concept of "harmonious development of economy, environment and society" and actively fulfill our social responsibilities. Our corporate image has been improving and brand value continues to grow.

Looking ahead to 2024, CNOOC Limited will focus on increasing reserves and production, targeting both oil and gas with a greater emphasis on gas exploration, so as to achieve steady growth of reserves and production. We will strengthen our research and innovation capabilities, promote digital and intelligent transformation to empower the development of our oil and gas business. Furthermore, we will reinforce our efforts to conserve energy and reduce carbon emissions, and actively improve the distribution of new energy and new business to drive green development. We will continuously enhance quality and efficiency, and tap the potential for cost reduction in order to continuously strengthen our value creation capability.

Headwinds are no stranger to sailors, and hardships are no stranger to pacesetters. In the year of 2024, we will accelerate the pace of building a world-class energy company and strive to create greater value for our shareholders.

**Wang Dongjin**

*Chairman*

Hong Kong, 21 March 2024

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

YEAR ENDED 31 DECEMBER 2023

*(All amounts expressed in millions of Renminbi, except per share data)*

	<i>Notes</i>	<b>2023</b>	2022
<b>REVENUE</b>			
Revenue recognised from contracts with customers			
Oil and gas sales	3	<b>327,867</b>	352,956
Marketing revenues	3	<b>79,308</b>	60,433
Other revenue		<u><b>9,434</b></u>	<u>8,841</u>
		<u><b>416,609</b></u>	<u>422,230</u>
<b>EXPENSES</b>			
Operating expenses		<b>(34,802)</b>	(31,566)
Taxes other than income tax		<b>(24,331)</b>	(18,778)
Exploration expenses		<b>(13,716)</b>	(14,058)
Depreciation, depletion and amortisation	5	<b>(68,947)</b>	(62,852)
Special oil gain levy		<b>(9,517)</b>	(24,214)
Impairment and provision recognised, net	5	<b>(3,523)</b>	(677)
Expected credit (losses)/reversal		<b>(74)</b>	11
Crude oil and product purchases		<b>(73,950)</b>	(57,383)
Selling and administrative expenses		<b>(10,952)</b>	(10,468)
Others		<u><b>(9,028)</b></u>	<u>(8,920)</u>
		<u><b>(248,840)</b></u>	<u>(228,905)</u>
<b>PROFIT FROM OPERATING ACTIVITIES</b>		<b>167,769</b>	193,325
Interest income	5	<b>4,805</b>	2,980
Finance costs	6	<b>(5,354)</b>	(6,027)
Exchange (losses)/gains, net		<b>(297)</b>	18
Investment income	5	<b>3,084</b>	2,058
Share of profits of associates		<b>850</b>	663
Profit attributable to a joint venture		<b>1,081</b>	1,248
Other income, net		<u><b>1,036</b></u>	<u>505</u>
<b>PROFIT BEFORE TAX</b>	5	<b>172,974</b>	194,770
Income tax expense	7	<u><b>(48,884)</b></u>	<u>(53,093)</u>
<b>PROFIT FOR THE YEAR</b>		<u><b>124,090</b></u>	<u>141,677</u>
Attributable to:			
Equity shareholders of the Company		<b>123,843</b>	141,700
Non-controlling interests		<u><b>247</b></u>	<u>(23)</u>
		<u><b>124,090</b></u>	<u>141,677</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**

YEAR ENDED 31 DECEMBER 2023

*(All amounts expressed in millions of Renminbi, except per share data)*

	<i>Notes</i>	<b>2023</b>	2022
<b>OTHER COMPREHENSIVE INCOME/(EXPENSE)</b>			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translation of foreign operations		<b>2,863</b>	17,945
Share of other comprehensive income of associates		<b>152</b>	–
Cash flow hedge reserves		<b>(33)</b>	2
Other items that will not be reclassified to profit or loss			
Fair value change on equity investments designated as at fair value through other comprehensive (expense)/income		<b>(200)</b>	1,331
Change on remeasurement of defined benefit plan		<b>238</b>	151
Share of other comprehensive income of associates		<b>15</b>	–
		<u><b>3,035</b></u>	<u>19,429</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>			
		<u><b>3,035</b></u>	<u>19,429</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			
		<u><b>127,125</b></u>	<u>161,106</u>
Attributable to:			
Equity shareholders of the Company		<b>126,878</b>	161,129
Non-controlling interests		<b>247</b>	(23)
		<u><b>127,125</b></u>	<u>161,106</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY</b>			
Basic (RMB Yuan)	8	<b>2.60</b>	3.03
Diluted (RMB Yuan)	8	<b>2.60</b>	3.03

Details of the dividends proposed and paid for the year are disclosed in note 9.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

31 DECEMBER 2023

*(All amounts expressed in millions of Renminbi)*

	<i>Notes</i>	<b>2023</b>	2022
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>592,920</b>	532,719
Right-of-use assets		<b>12,039</b>	10,465
Intangible assets		<b>16,769</b>	16,600
Investments in associates		<b>28,910</b>	27,942
Investment in a joint venture		<b>22,342</b>	20,985
Debt investment		<b>8,221</b>	5,975
Equity investments		<b>886</b>	1,075
Deferred tax assets	7	<b>28,562</b>	29,885
Other non-current assets		<b>40,442</b>	12,680
Other non-current financial assets		<b>4,232</b>	6,026
Total non-current assets		<b>755,323</b>	664,352
<b>CURRENT ASSETS</b>			
Inventories and supplies		<b>6,451</b>	6,239
Trade receivables	10	<b>37,052</b>	37,992
Other financial assets		<b>44,304</b>	88,209
Derivative financial instruments		<b>43</b>	30
Other current assets		<b>11,863</b>	10,822
Time deposits with maturity over three months but within one year		<b>17,123</b>	35,754
Cash and cash equivalents		<b>133,439</b>	85,633
Total current assets		<b>250,275</b>	264,679
<b>CURRENT LIABILITIES</b>			
Loans and borrowings	12	<b>21,894</b>	22,817
Trade and accrued payables	11	<b>61,382</b>	59,789
Lease liabilities		<b>2,217</b>	1,873
Contract liabilities		<b>1,383</b>	1,691
Other payables and accrued liabilities		<b>11,908</b>	10,676
Derivative financial instruments		<b>25</b>	32
Taxes payable		<b>25,130</b>	16,513
Total current liabilities		<b>123,939</b>	113,391
<b>NET CURRENT ASSETS</b>		<b>126,336</b>	151,288
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>881,659</b>	815,640

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**

31 DECEMBER 2023

*(All amounts expressed in millions of Renminbi)*

	<i>Notes</i>	<b>2023</b>	2022
<b>NON-CURRENT LIABILITIES</b>			
Loans and borrowings	12	<b>88,208</b>	103,145
Lease liabilities		<b>7,858</b>	6,561
Provision for dismantlement		<b>97,091</b>	87,042
Deferred tax liabilities	7	<b>10,845</b>	10,271
Other non-current liabilities		<b>9,781</b>	10,238
Total non-current liabilities		<b>213,783</b>	217,257
<b>NET ASSETS</b>		<b>667,876</b>	598,383
<b>EQUITY</b>			
Issued capital	13	<b>75,180</b>	75,180
Reserves		<b>591,406</b>	522,002
Equity attributable to equity shareholders of the Company		<b>666,586</b>	597,182
Non-controlling interests		<b>1,290</b>	1,201
<b>TOTAL EQUITY</b>		<b>667,876</b>	598,383

**Wang Dongjin**  
*Director*

**Zhou Xinhui**  
*Director*

## **NOTES**

31 DECEMBER 2023

*(All amounts expressed in millions of Renminbi unless otherwise stated)*

### **1. CORPORATE INFORMATION**

CNOOC Limited (the “Company”) was incorporated in the Hong Kong Special Administrative Region (“Hong Kong”) of the People’s Republic of China (the “PRC”) on 20 August 1999 to hold the interests in certain entities thereby creating a group comprising the Company and its subsidiaries. During the year, the Company and its subsidiaries were principally engaged in the exploration, development, production and sale of crude oil and natural gas.

The registered office address of the Company is 65/F, Bank of China Tower, 1 Garden Road, Hong Kong.

In the opinion of the directors of the Company (the “Directors”), the ultimate holding company of the Company is China National Offshore Oil Corporation (“CNOOC Group”), a company established in the PRC.

### **2.1 STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (the “IASB”), Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules of Stock Exchange”) and the Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (the “Companies Ordinance”).

The financial information for the years ended 31 December 2023 and 2022 included in this announcement does not constitute the Company’s statutory annual consolidated financial statements required for such two years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with Section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by Section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance, and the Company will deliver the financial statements for the year ended 31 December 2023 in due course.

The Company’s auditor has issued reports on the consolidated financial statements of the Company and its subsidiaries for both years. The auditor’s reports were unqualified; did not contain any reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain any statement made pursuant to Sections 406(2), 407(2) or (3) of the Companies Ordinance.

### **2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

The IASB has issued a number of new and amendments to IFRSs that are first effective for the current accounting year commencing 1 January 2023 or later but available for early adoption. The equivalent new and amendments to HKFRSs consequently issued by the HKICPA have the same effective dates as those issued by the IASB and are in all material aspects identical to the pronouncements issued by the IASB.

The accounting policies adopted are consistent with those of the year ended 31 December 2022, except for the first time adoption of the new and amendments to IFRSs/HKFRSs effective for and relevant to the Company and its subsidiaries’ financial year beginning on 1 January 2023. The application of new and amendments to IFRSs/HKFRSs in the current year has had no material impact on the accounting policies, the disclosures or the amounts recognised in the consolidated financial statements of the Company and its subsidiaries.

### 3. OIL AND GAS SALES AND MARKETING REVENUES

	2023	2022
Gross sales	334,050	364,574
Less: Royalties	(4,921)	(9,995)
PRC government's share of oil	(1,262)	(1,623)
Oil and gas sales	<u>327,867</u>	<u>352,956</u>
Marketing revenues	<u>79,308</u>	<u>60,433</u>

### 4. SEGMENT INFORMATION

#### (a) Segment results

The Company and its subsidiaries are engaged worldwide in the upstream operating activities of the conventional oil and gas, shale oil and gas, oil sands and other unconventional oil and gas business. The Company and its subsidiaries report the business through three operating and reporting segments, including exploration and production ("E&P"), trading business and corporate. The division of these operating segments is made because the Company's chief operating decision makers make decisions on resource allocation and performance evaluation by reviewing the financial information of these operating segments. The geographical information is separately disclosed in (b).

The following table presents the segment financial information of the Company and its subsidiaries for the years ended 31 December 2023 and 2022:

	E&P		Trading business		Corporate		Eliminations		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
External revenue	92,751	101,670	323,361	320,130	497	430	-	-	416,609	422,230
Intersegment revenue*	246,250	259,655	(244,053)	(259,655)	203	857	(2,400)	(857)	-	-
Total revenue	<u>339,001</u>	<u>361,325</u>	<u>79,308</u>	<u>60,475</u>	<u>700</u>	<u>1,287</u>	<u>(2,400)</u>	<u>(857)</u>	<u>416,609</u>	<u>422,230</u>
Segment profit for the year	<u>121,912</u>	<u>138,107</u>	<u>4,189</u>	<u>2,159</u>	<u>2,933</u>	<u>3,351</u>	<u>(4,944)</u>	<u>(1,940)</u>	<u>124,090</u>	<u>141,677</u>
Amounts included in the measure of segment profit or loss										
Operating expenses	(34,997)	(31,657)	-	-	-	-	195	91	(34,802)	(31,566)
Taxes other than income tax	(24,037)	(18,617)	(161)	(160)	(133)	(69)	-	68	(24,331)	(18,778)
Exploration expenses	(13,716)	(14,058)	-	-	-	-	-	-	(13,716)	(14,058)
Depreciation, depletion and amortisation	(68,622)	(62,680)	(41)	(32)	(644)	(514)	360	374	(68,947)	(62,852)
Impairment and provision	(3,577)	(666)	-	-	(20)	-	-	-	(3,597)	(666)
Selling and administrative expenses	(8,438)	(8,294)	(358)	(426)	(2,254)	(2,159)	98	411	(10,952)	(10,468)
Interest income	2,676	468	238	165	3,445	2,347	(1,554)	-	4,805	2,980
Finance costs	(5,430)	(3,800)	(47)	(11)	(1,675)	(2,363)	1,798	147	(5,354)	(6,027)
Share of profits of associates and a joint venture	120	237	-	-	1,811	1,674	-	-	1,931	1,911
Income tax expense	(44,993)	(52,397)	(832)	(376)	(3,227)	(331)	168	11	(48,884)	(53,093)
Other segment information										
Investments in associates and a joint venture	23,894	23,397	-	-	27,358	25,530	-	-	51,252	48,927
Others	571,584	530,445	43,284	34,702	538,273	521,040	(198,795)	(206,083)	954,346	880,104
Segment assets	<u>595,478</u>	<u>553,842</u>	<u>43,284</u>	<u>34,702</u>	<u>565,631</u>	<u>546,570</u>	<u>(198,795)</u>	<u>(206,083)</u>	<u>1,005,598</u>	<u>929,031</u>
Segment liabilities	<u>(342,231)</u>	<u>(339,134)</u>	<u>(31,936)</u>	<u>(27,625)</u>	<u>(178,846)</u>	<u>(188,591)</u>	<u>215,291</u>	<u>224,702</u>	<u>(337,722)</u>	<u>(330,648)</u>
Capital expenditure	<u>137,010</u>	<u>102,753</u>	<u>10</u>	<u>6</u>	<u>327</u>	<u>276</u>	<u>-</u>	<u>-</u>	<u>137,347</u>	<u>103,035</u>

\* Certain oil and gas produced by the E&P segment are sold via the trading business segment. For the Company's chief operating decision maker's assessment of segment performance, these revenues are reclassified back to E&P segment.



#### 4. SEGMENT INFORMATION (CONTINUED)

##### (b) Geographical information

The Company and its subsidiaries mainly engage in the exploration, development, production and sale of crude oil and natural gas in China, Indonesia, Iraq, Russia, Canada, the United States of America, the United Kingdom, Nigeria, Uganda, Argentina, Brazil, Guyana, Australia and Singapore etc.

In presenting the Company and its subsidiaries' geographical information, revenues from external customers are based on the location of the Company and its subsidiaries' customers, and non-current assets are attributed to the segments based on the location of the Company and its subsidiaries' assets. 62% (2022: 64%) of the Company and its subsidiaries' revenues are generated from PRC customers, and revenues generated from customers in other locations are individually less than 10%.

The following table presents certain non-current assets information for the Company and its subsidiaries' geographical information for the years ended 31 December 2023 and 2022.

	PRC		Canada		Others		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022
Property, plant and equipment	333,881	286,551	83,344	84,997	175,695	161,171	592,920	532,719
Right-of-use assets	9,100	7,088	600	659	2,339	2,718	12,039	10,465
Investments in associates and a joint venture	7,861	7,055	–	–	43,391	41,872	51,252	48,927
Other non-current assets	39,272	11,753	890	734	280	193	40,442	12,680

##### (c) Information about major customers

The current year's revenue of approximately RMB32,735 million (2022: RMB20,663 million) was derived from sales by the E&P segment and the trading business segment to China Petroleum & Chemical Corporation.

## 5. PROFIT BEFORE TAX

The Company and its subsidiaries' profit before tax is arrived at after (crediting)/charging:

	2023	2022
Crediting:		
Interest income from bank deposits	<u>(4,805)</u>	<u>(2,980)</u>
Investment income:		
– Fair value changes on other financial assets	(3,080)	(2,058)
– Others	<u>(4)</u>	<u>–</u>
	<u>(3,084)</u>	<u>(2,058)</u>
Insurance compensation on disposal of property, plant and equipment	<u>(337)</u>	<u>(3)</u>
Charging:		
Auditors' remuneration:		
– Audit fee	70	62
– Other fees	<u>14</u>	<u>12</u>
	<u>84</u>	<u>74</u>
Employee wages, salaries, allowances and social security costs	<u>11,276</u>	<u>11,566</u>
Impairment and provision:		
– Property, plant and equipment	3,374	568
– Provision/(Reversal) of expected credit losses, net	74	(11)
– Others	<u>149</u>	<u>109</u>
	<u>3,597</u>	<u>666</u>
Depreciation, depletion and amortisation:		
– Property, plant and equipment	67,075	60,368
– Right-of-use assets	2,400	1,391
– Intangible assets	849	1,311
– Net amount capitalised	<u>(1,377)</u>	<u>(218)</u>
	<u>68,947</u>	<u>62,852</u>
Lease payments not included in the measurement of lease liabilities:		
– Office properties	134	560
– Plant and equipment	<u>337</u>	<u>357</u>
	<u>471</u>	<u>917</u>
Repairs and maintenance	<u>6,706</u>	<u>5,552</u>
Research and development costs	<u>4,136</u>	<u>3,472</u>
Loss on disposal of property, plant and equipment	<u>65</u>	<u>136</u>

## 6. FINANCE COSTS

	2023	2022
Interest on bank loans	606	342
Interest on other loans	4,141	4,353
Interest on lease liabilities	497	376
Other borrowing costs	<u>19</u>	<u>48</u>
Total borrowing costs	<u>5,263</u>	<u>5,119</u>
Less: Amount capitalised	<u>(2,840)</u>	<u>(1,991)</u>
	<u>2,423</u>	<u>3,128</u>
Other finance costs:		
Unwinding of discount on provision for dismantlement	<u>2,931</u>	<u>2,899</u>
	<u><u>5,354</u></u>	<u><u>6,027</u></u>

During the year ended 31 December 2023, the effective interest rates used to determine the amount of related borrowing costs for capitalisation varied from 1.08% to 7.875% (2022: from 1.08% to 7.875%) per annum.

## 7. INCOME TAX

An analysis of the tax expense in the Company and its subsidiaries' consolidated statement of profit or loss and other comprehensive income is as follows:

	2023	2022
Current tax		
Provision for PRC enterprise income tax on the estimated taxable profits for the year	35,644	37,464
Provision for overseas enterprise income tax on the estimated taxable profits for the year	<u>10,993</u>	<u>11,427</u>
Deferred tax		
Temporary differences in the current year	2,418	2,842
Effect of changes in tax rates	<u>(171)</u>	<u>1,360</u>
Income tax expense for the year	<u><u>48,884</u></u>	<u><u>53,093</u></u>

## 7. INCOME TAX (CONTINUED)

A reconciliation of the PRC statutory corporate income tax rate to the effective income tax rate of the Company and its subsidiaries are as follows:

	2023	2022
	%	%
PRC statutory enterprise income tax rate	25.0	25.0
Effect of different tax rates for subsidiaries	1.3	0.6
Effect of changes in tax rates	(0.1)	1.3
Tax reported in equity-accounted entities within China	(0.1)	(0.1)
Others	2.2	0.5
Effective income tax rate	<u>28.3</u>	<u>27.3</u>

The movements of deferred tax assets net of deferred tax liabilities are as follows:

	2023	2022
Opening balance	19,614	21,677
Credit to the profit or loss	(2,247)	(4,202)
Charge to equity	(74)	(45)
Exchange differences	424	2,184
Closing balance	<u>17,717</u>	<u>19,614</u>

## 8. EARNINGS PER SHARE

	2023	2022
<b>Earnings:</b>		
Profit for the purpose of basic and diluted earnings per share calculation	<u>123,843</u>	<u>141,700</u>
<b>Number of shares:</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share and diluted earnings per share	<u>47,566,763,984</u>	<u>46,697,155,252</u>
<b>Earnings per share:</b>		
Basic (RMB Yuan)	2.60	3.03
Diluted (RMB Yuan)	<u>2.60</u>	<u>3.03</u>

The Company had no potentially dilutive ordinary shares in issue during the years ended 31 December 2023 and 2022.

## 9. DIVIDENDS

	2023	2022
Dividend per ordinary share:		
2023 interim dividend – HK\$0.59 (2022: interim dividend HK\$0.70) per ordinary share	25,736	29,376
2022 final dividend – HK\$0.75 (2021: special dividend HK\$1.18) per ordinary share	<u>32,361</u>	<u>48,002</u>

Pursuant to the Enterprise Income Tax Law of the People’s Republic of China and related laws and regulations, the Company is regarded as a Chinese Resident Enterprise, and thus is required to withhold corporate income tax at the rate of 10% when it distributes dividends to its non-resident enterprise (as defined in the “Enterprise Income Tax Law of the People’s Republic of China”) shareholders, with effect from the distribution of the 2008 final dividend. In respect of all shareholders whose names appear on the Company’s register of members and who are not individuals (including HKSCC Nominees Limited, corporate nominees or trustees such as securities companies and banks, and other entities or organisations, which are all considered as non-resident enterprise shareholders), the Company will distribute the dividend after deducting corporate income tax of 10%.

## 10. TRADE RECEIVABLES

The aging of trade receivable and related expected credit loss allowance is analysed as follows:

	2023		
	Trade receivables	Expected credit loss allowance	Proportion of accrual (%)
Within one year	37,032	50	0.14
Over one year but within two years	6	1	16.67
Over two years but within three years	76	11	14.47
Over three years	<u>14</u>	<u>14</u>	<u>100.00</u>
	<u>37,128</u>	<u>76</u>	<u>0.20</u>
	2022		
	Trade receivables	Expected credit loss allowance	Proportion of accrual (%)
Within one year	37,913	–	–
Over one year but within two years	77	–	–
Over two years but within three years	2	–	–
Over three years	<u>100</u>	<u>100</u>	<u>100.00</u>
	<u>38,092</u>	<u>100</u>	<u>0.26</u>

The credit terms of the Company and its subsidiaries are generally within 30 days after the delivery of oil and gas. Payment in advance or collateral may be required from customers, depending on credit rating. Trade receivables are non-interest bearing. Substantially all customers have good credit quality with good repayment history and no significant receivables are past due.

## 11. TRADE AND ACCRUED PAYABLES

	2023	2022
Amounts due to suppliers and partners	59,017	55,855
Amounts due to third party trader	2,365	3,934
	<u>61,382</u>	<u>59,789</u>

As at 31 December 2023 and 2022, substantially all the trade and accrued payables were aged within six months. The trade and accrued payables are non-interest-bearing.

## 12. LOANS AND BORROWINGS

The details of note repaid during the year ended 31 December 2023 are as follows:

Issued by	Maturity	Coupon Rate	Principal Amount USD million
CNOOC Finance (2013) Limited	2023	3.000%	2,000
CNOOC Finance (2015) U.S.A. LLC	2023	3.750%	450

## 13. SHARE CAPITAL

	Number of shares	Issued share capital equivalent of RMB million
Issued and fully paid:		
Ordinary shares with no par value		
As at 1 January 2022	44,647,455,984	43,081
Shares newly issued in 2022 <sup>(1)</sup>	2,990,000,000	32,099
Repurchase of own shares and cancelled <sup>(2)</sup>	(70,692,000)	—
As at 31 December 2022 and at 1 January 2023	<u>47,566,763,984</u>	<u>75,180</u>
As at 31 December 2023	<u>47,566,763,984</u>	<u>75,180</u>
Of which: Shares listed on The Stock Exchange of Hong Kong Limited	44,576,763,984	
Shares listed on the Shanghai Stock Exchange	<u>2,990,000,000</u>	

### 13. SHARE CAPITAL (CONTINUED)

- (1) According to the “Approval of the Initial Public Offering of Shares of CNOOC Limited” Zheng Jian Xu Ke No. [2022] 632, the China Securities Regulatory Commission (the “CSRC”) approved initial public offering of RMB ordinary shares (“A-share offering”) of the Company. The price of the Company’s A-share offering was RMB10.80 per ordinary share, and after exercising the over allotment option, the final number of shares issued was 2,990 million. The raised funds have been verified by Ernst & Young Hua Ming LLP and capital verification reports (Ernst & Young Hua Ming (2022) Yan Zi No. 60157570\_A02 & 60157570\_A03) were issued. The total amount of the final funds raised in this offering was RMB32,292 million. After deducting the issuance expenses of RMB193 million, the net amount of funds raised was RMB32,099 million.
- (2) During the year ended 31 December 2022, the Company repurchased and cancelled 70,692,000 of its own shares with an aggregate cash payment of HK\$693 million listed on The Stock Exchange of Hong Kong Limited (“HKSE”), equivalent to approximately RMB623 million. Such buy-backs were financed out of the Company’s distributable profits, as a result, the payment was reduced from the Company’s “Retained earnings”.

There is no change in the share capital and number of shares during the year ended 31 December 2023.

### 14. SUBSEQUENT EVENTS

The Company and its subsidiaries have no significant subsequent events needed to be disclosed in the consolidated financial statements.

## **MANAGEMENT’S DISCUSSION AND ANALYSIS**

### **DEVELOPMENT STRATEGY**

As the largest offshore crude oil and natural gas producer in China and one of the largest independent oil and gas exploration and production companies in the world, we mainly engage in the exploration, development, production and sales of crude oil and natural gas. The Company’s development strategy mainly covers the following three aspects.

#### **Focus on reserves and production growth**

As an upstream company specialising in the exploration, development, production and sale of oil and natural gas, the Company focuses on the continuous increase of reserves and production, which is regarded as the cornerstone of development. The Company keeps its focus on profitability, and expands reserves and production through exploration, development, production and value-driven acquisitions. In terms of exploration, the Company will adhere to the strategy of stabilising oil and increasing gas, and weighting more on gas to stabilise the exploration in Bohai, accelerate exploration in the South China Sea, expand exploration in the East China Sea, explore in the Yellow Sea, strengthen overseas exploration and promote unconventional exploration. In terms of development and production, to achieve profitable production growth, the Company actively promotes the construction of key projects and maintains a stable and increasing production in producing oil and gas fields.

#### **Develop natural gas business**

The Company implements the low-carbon development concept and expands the natural gas business actively. While solidly promoting offshore gas exploration and development, the Company has increased its efforts in onshore unconventional gas exploration and development. The Company will build South China Sea trillion-cubic-meters-level gas fields with the support of “Shenhai-1”, the first proprietary deep-water large-scale integrated natural gas field in the South China; develop the trillion-cubic-meters-level gas fields in Bohai Sea centered on the Bozhong 19-6 large condensate gas field; and develop its onshore trillion-cubic-meters-level gas fields by CUCBM as a platform. By 2025, it is expected that the percentage of natural gas gross production in the Company’s gross output will be further improved.

#### **Maintain prudent financial policies**

The Company upholds our prudent financial policies. Thanks to years of sustained efforts to increase reserves and production and improve quality and efficiency, the Company’s profitability continued to increase. In 2023, the Company continued to maintain a cost competitive advantage, with the all-in cost at US\$28.83 per BOE. The Company also put more emphasis on to cash flow management and maintains a healthy financial position. In 2023, the Company’s free cash flow was RMB88.9 billion and the gearing ratio was 15.2% as at the end of the year. In the future, the Company will consider cost control as one of the key indicators in the performance appraisal and evaluation system, and will continue to control costs in order to further consolidate its competitive cost structure.

### **CORE COMPETITIVENESS**

#### **Abundant oil and gas resources with leading production growth capacity in the industry**

The Company has abundant resources. As of the end of 2023, the Company had net proved reserves of approximately 6.78 billion BOE. In 2023, the reserve replacement ratio reached 180% and the reserve life remained above 10 years for seven consecutive years, further consolidating the reserve base. During the year, the Company’s net production reached 678.0 million BOE, an increase of 8.7% year-on-year, leading the peers in the industry in terms of production growth.



## **Leading exploration and development activities in offshore China with obvious advantages in regional development**

The oil and gas exploration in offshore China is overall in a relatively early stage, indicating a huge growth potential of reserve and production. The Company is the dominant producer of oil and natural gas in offshore China with extensive experiences in exploration and development and has become an expert on China's offshore basins. Present, the Company has a high exploration success rate in offshore China, with over 150 oil and gas fields in production. The Company has established offshore production facilities and subsea piping systems in offshore China which could provide strong support to regional exploration and exploitation in the future.

## **In possession of a complete set of technical system for offshore oil and gas exploration and exploitation**

The Company has established a complete technology system for offshore oil and gas exploration, development and production. Breakthroughs have been made for ultradeepwater oil and gas field development engineering in water depth of over 1,500 meters. The Company has made positive progress in key technical fields such as exploration in medium to deep strata, enhanced water flooding and other production stimulation measures, effective development of large-scale thermal recovery of heavy oil, enhanced recovery rate in producing oil and gas fields, and subsea production system, which all provide strong support to the long-term sustainable development of offshore oil and gas business.

## **Effective cost control and healthy financial performance**

The Company has a complete cost control system and industry-leading profitability per BOE. Over the years, the Company has maintained a sound ability to generate cash flow, and its financial condition remained sound and stable with a low gearing ratio and a strong financing capability.

## **In possession of a diverse asset structure**

The Company possesses oil and gas assets worldwide. It has a diverse asset structure and strong capacity of globalised operation and management. It holds interests in many world-class oil and gas projects such as Stabroek in Guyana and Buzios, Mero in Brazil, and owns assets in more than 20 countries and regions around the world.

## **Steady progress towards green and low-carbon development**

Upholding the green and low-carbon development concept, the Company effectively leverages its overall strengths to actively expand its presence in the new energy sector. It prioritizes the development of offshore renewable energy projects while also pursuing selected opportunities in onshore new energy ventures. Furthermore, the Company is dedicated to promoting the integration of new energy with oil and gas production, with a particular focus on the robust development of offshore wind power. In line with its commitment to both immediate priorities and long-term objectives, the Company steadily advances the growth of zero-carbon and carbon-negative industries.

## 2023 OVERVIEW

In 2023, geopolitical conflicts persisted and global economic growth momentum was insufficient. The performance of developed economies is divergent, with the US economy remaining resilient and European growth weak. The overall performance of emerging economies was stable. China's economy continued to recover, with a year-on-year increase of 5.2%. According to statistics from the IMF, the global economic growth rate was 3.1%. Influenced by factors such as economic growth expectations, market supply and demand, financial markets, and geopolitical issues, international oil prices experienced volatility and a downward trend in the first half of the year, followed by a rise and subsequent decline in the second half of the year. In 2023, the average price of Brent crude oil was US\$82.2 per barrel, representing a decrease of approximately 17.0% year over year.

In 2023, the oil and gas industry in China continued its high-quality development. Oil and gas producers in China consistently increased their efforts in exploration and development. Crude oil production witnessed continuous growth for six consecutive years, while natural gas production growth surpassed 10 billion cubic meters for the seventh consecutive year. These achievements have provided a solid foundation for social and economic development.

Facing a complex external environment, we remained steadfast in increasing reserves and production. Both proved reserves and net production have reached new highs. We also continued to advance technological innovation, steadily promoted green development, and persistently implemented measures to enhance quality, reduce costs, and increase efficiency. As a result, the quality of development has steadily improved.

In order to provide more investment flexibility to shareholders and potential investors, the Company has actively applied for the launch of a RMB counter on the Hong Kong Stock Exchange, and has become one of the first batch of listed companies to include the "HKD-RMB Dual Counter Model" on 19 June 2023.

The basic earnings per share and diluted earnings per share of the Company during the year ended 31 December 2023 was RMB2.60 and RMB2.60 respectively. The Board of Directors has recommended the payment of a final dividend of HK\$0.66 per share (tax inclusive).

## FINANCIAL RESULTS

### Net profit attributable to shareholders of the Company

Our net profit attributable to shareholders of the Company decreased by 12.6% to RMB123,843 million in 2023 from RMB141,700 million in 2022, primarily as a result of the increase reserves and production, enhancing quality and efficiency to reduce costs, which effectively resisted the adverse impact of the decline in international oil prices.

### Operating Revenues

The Company's operating revenues decreased by 1.3% to RMB416,609 million in 2023 from RMB422,230 million in 2022, mainly due to the increase of oil and gas sales volume and marketing sales volume and the decrease of international oil price. Oil and gas sales revenue, oil and gas prices and sales volume year-on-year data are as follows:

	2023	2022	Amount	%
Oil and gas sales (RMB million)	<b>327,867</b>	352,956	(25,089)	(7.1)
Crude and liquids	<b>282,447</b>	311,035	(28,588)	(9.2)
Natural gas	<b>45,420</b>	41,921	3,499	8.3
Sales volume (million BOE)*	<b>653.2</b>	603.6	49.6	8.2
Crude and liquids (million barrels)	<b>514.5</b>	478.7	35.8	7.5
Natural gas (bcf)	<b>807.4</b>	726.2	81.2	11.2
Realised prices				
Crude and liquids (US\$/barrel)	<b>77.96</b>	96.59	(18.63)	(19.3)
Natural gas (US\$/mcf)	<b>7.98</b>	8.58	(0.60)	(7.0)

\* Excluding our interest in equity-accounted investees.

### Operating expenses

Our total amounts of operating expenses increased by 10.3% to RMB34,802 million in 2023 from RMB31,566 million in 2022, mainly due to the increase of total costs expenses as a result of the increase of production. Due to the Company's insistence on enhancing quality and efficiency to reduce costs in 2023, the operating expenses per BOE has been well controlled, and our operating expenses per BOE increased by 2.1% to RMB53.2(US\$7.54) per BOE in 2023 from RMB52.1(US\$7.74) per BOE in 2022. China operating expenses per BOE increased by 2.9% to RMB46.7(US\$6.63) per BOE in 2023 from RMB45.4(US\$6.75) per BOE in 2022. Overseas operating expenses per BOE was RMB68.9 (US\$9.77) per BOE in 2023, and was basically steady with RMB68.9 (US\$10.24) per BOE in 2022.

### Taxes other than income tax

Our taxes other than income tax increased by 29.6% to RMB24,331 million in 2023 from RMB18,778 million in 2022, mainly due to the recognition of the proceeds from assignment of mining rights under the newly promulgated regulations this year.

### Exploration expenses

Exploration expenses of the Company decreased by 2.4% to RMB13,716 million in 2023 from RMB14,058 million in 2022, mainly due to the Company's ongoing efforts in reserves and production growth and maintaining the high exploration intensity.

## **Depreciation, depletion and amortisation**

Our total amount of depreciation, depletion and amortisation increased by 9.7% to RMB68,947 million in 2023 from RMB62,852 million in 2022, mainly due to the increase of depreciation, depletion and amortization as a results of the increase of production.

The total amount of dismantlement provision-related depreciation, depletion and amortisation increased by 12.2% to RMB3,851 million in 2023 from RMB3,432 million in 2022. Our dismantling cost per BOE increased by 2.1% to RMB5.85 (US\$0.83) per BOE in 2023 from RMB5.73 (US\$0.85) per BOE in 2022.

The amount of depreciation, depletion and amortisation (excluding the dismantling costs) increased by 9.6% to RMB65,096 million in 2023 from RMB59,420 million in 2022, mainly due to the increase of total costs expenses as a result of the increase of production. Our amount of depreciation, depletion and amortisation per BOE (excluding the dismantling costs) was RMB99.1 (US\$14.06) per BOE in 2023, essentially equivalent to RMB98.7 (US\$14.67) per BOE in 2022.

## **Impairment and provision**

Our impairment and provision increased by RMB2,846 million to RMB3,523 million in 2023 from RMB677 million in 2022, primarily due to the impact of impairment allowance on oil and gas assets in North America.

## **Selling and administrative expenses**

Our selling and administrative expenses increased by 4.6% to RMB10,952 million in 2023 from RMB10,468 million in 2022, due to the increase of related costs as a result of our higher of oil and gas sales volume. Our selling and administrative expenses per BOE decreased by 5.2% to RMB16.14 (US\$2.29) per BOE in 2023 from RMB17.02 (US\$2.53) per BOE in 2022.

## **Interest income**

Our interest income increased by 61.2% to RMB4,805 million in 2023 from RMB2,980 million in 2022, primarily due to the higher interest income as a result of the increase in interest rates for deposits in U.S.dollars and the increase in the size of time deposits.

## **Exchange gains/losses, net**

Our net exchange loss was RMB297 million in 2023, with a change of RMB315 million compared to the exchange gain of RMB18 million in 2022, primarily arising from Renminbi exchange rate fluctuation against the Hong Kong dollar and U.S. dollar.

## **Investment income**

Our investment income increased by 49.9% to RMB3,084 million in 2023 from RMB2,058 million in 2022, mainly due to the increase of overall revenue as a result of the optimization of structure of the investment products and the changes in market interest rates.

## **Income tax expense**

Our income tax expense decreased by 7.9% to RMB48,884 million in 2023 from RMB53,093 million in 2022, mainly due to the impact of decrease of the international oil prices, which led to the decline in the Company's overall profit before tax.

## Assets, liabilities and equity

Items	<i>Unit: million Currency: RMB</i>		
	<b>31 December 2023</b>	<b>31 December 2022</b>	<b>Change (%)</b>
Current assets	<b>250,275</b>	264,679	(5.4)
Non-current assets	<b>755,323</b>	664,352	13.7
Total assets	<b>1,005,598</b>	929,031	8.2
Current liabilities	<b>123,939</b>	113,391	9.3
Non-current liabilities	<b>213,783</b>	217,257	(1.6)
Total liabilities	<b>337,722</b>	330,648	2.1
Equity attributable to equity shareholders of the Company	<b>666,586</b>	597,182	11.6
Non-controlling interests	<b>1,290</b>	1,201	7.4
Total equity	<b>667,876</b>	598,383	11.6

The Company's financial position continued to maintain solid. As of 31 December 2023, our total assets and total liabilities reached RMB1,005,598 million and RMB337,722 million, respectively. In particular:

Current assets amounted to RMB250,275 million, a decrease of 5.4% from RMB264,679 million at the end of 2022, mainly due to the decrease in other financial assets.

Non-current assets amounted to RMB755,323 million, an increase of 13.7% from RMB664,352 million at the end of 2022, mainly due to the increase in property, plant and equipment and other non-current assets.

Current liabilities amounted to RMB123,939 million, an increase of 9.3% from RMB113,391 million at the end of 2022, mainly due to the increase in taxes payable.

Non-current liabilities amounted to RMB213,783 million, a decrease of 1.6% from RMB217,257 million at the end of 2022, mainly due to the decrease in loans and borrowings.

## CAPITAL RESOURCES AND LIQUIDITY

### Overview

Our primary source of cash during 2023 was cash flows from operating activities. We used cash primarily to fund capital expenditure and dividends. The changes are as follows:

	2023	2022	Change	
	RMB million	RMB million	RMB million	%
Generated from operating activities	209,743	205,574	4,169	2.0
Used in investing activities	(78,095)	(98,473)	20,378	(20.7)
Used in financing activities	(84,228)	(64,962)	(19,266)	29.7

### Net cash inflows from operating activities

The net cash flows from operating activities increased by 2.0% to RMB209,743 million in 2023 from RMB205,574 million in 2022, primarily attributable to the Company's ongoing efforts in profitable growth of reserves and production.

### Net cash outflows from investing activities

In 2023, our capital expenditure payment increased by 48.5% to RMB120,875 million from RMB81,373 million in 2022. Our development expenditures in 2023 were primarily related to the oil and gas fields development projects in offshore China, as well as projects in Guyana and Brazil, and the expenditure incurred for improving recovery factors of the oil and gas fields in producing.

In addition, our cash used in investing activities was also attributable to the purchase of corporate wealth management products and structured deposits of RMB44,641 million this year. Our cash generated from investing activities was mainly from the returns on due corporate wealth management products and structured deposits in the amount of RMB89,006 million, and our time deposits with maturity over three months increased by RMB8,194 million.

### Net cash outflows from financing activities

In 2023, the net cash outflows in financing activities was mainly due to the repayment of bonds of RMB17,351 million and dividend payment of RMB58,249 million.

At the end of 2023, our total interest-bearing debt was RMB120,177 million, compared to RMB134,396 million at the end of 2022. The decrease in debt in 2023 was primarily attributable to the repayment of bonds and changes in the exchange rate between the Renminbi and U.S. dollar in this year. Our gearing ratio, which is defined as interest-bearing debts divided by the sum of interest-bearing debts plus equity, was 15.2%, a significant decrease from 18.3% in 2022, mainly due to the repayment of bonds and the increase in the owner's equity in 2023.

## Capital Expenditure

The following table sets forth the Company's actual capital expenditure for the periods indicated:

	Year ended 31 December		
	2021	2022	2023
	(RMB million)		
<b>China</b>			
Development	48,450	57,612	74,240
Exploration	<u>14,898</u>	<u>17,807</u>	<u>17,468</u>
<b>Subtotal</b>	<u>63,348</u>	<u>75,419</u>	<u>91,708</u>
<b>Overseas</b>			
Development	21,088	22,289	33,904
Exploration	<u>3,156</u>	<u>2,649</u>	<u>2,301</u>
<b>Subtotal</b>	<u>24,244</u>	<u>24,938</u>	<u>36,205</u>
<b>Total</b>	<u><u>87,592</u></u>	<u><u>100,357</u></u>	<u><u>127,913</u></u>

*Note:* Capitalised interests for 2021, 2022 and 2023 were RMB2,086 million, RMB1,991 million and RMB2,840 million, respectively.

## OTHERS

### Employees

As of 31 December 2023, the Company had 19,511 employees in China, 2,275 employees overseas and 207 contracted employees.

The Company has set up a market-oriented recruitment structure and has adopted an appropriate remuneration structure.

## CHARGES ON ASSETS

CNOOC NWS Private Limited, a wholly-owned subsidiary of the Company, together with the other joint venture partners and the operator of the NWS Project, signed a Deed of Cross Charge and an Extended Deed of Cross Charge whereby certain liabilities incurred or to be incurred, if any, by the Company in respect of the NWS Project are secured by its interest in the NWS Project.

## **CONTINGENCIES**

As a Chinese Resident Enterprise, the Company may be liable to pay taxes on the deemed interest income for the funding provided to its overseas subsidiaries starting from 1 January 2008. The Company has prepared contemporaneous documentation in accordance with applicable PRC tax laws and regulations and is currently awaiting confirmation from its local tax authority.

The Company and its subsidiaries are subject to tax in numerous jurisdictions around the world. There are audits in progress and items under review. Difference in positions taken by taxation authorities over the interpretation and application of tax laws and regulations may increase the Company and its subsidiaries' tax liability. Management of the Company has assessed the possible future outcome of matters that are currently under dispute. Management of the Company believes that an adequate provision for future tax liability has been included in the consolidated financial statements based on available information.

In addition to the matters mentioned above, the Company or its subsidiaries are dealing with a number of lawsuits and arbitrations that arise in the ordinary course of business. While the results of these legal proceedings cannot be ascertained at this stage, management of the Company believes these proceedings are not expected to have a material effect on the consolidated financial statements.

## **OUTLOOK FOR 2024**

Looking ahead to 2024, despite the negative impact of geopolitical uncertainties, the global economic growth is expected to maintain muted growth, with a gradual decline in inflation levels and the lower risk of an economic hard landing. As China's economy remains on a long-term upward trend, China will still be the largest driver of global growth.

Oil and gas will continue to play a significant part in the structure of the world's energy demand for a long time. The ongoing recovery and positive trajectory of China's economy supports the demand for oil and gas. The offshore oil and gas serves as a significant growth driver for oil and gas production in China, offering substantial opportunities for the development of the Company.

In 2024, we will insist on increasing oil and gas reserves and production and promoting independent innovation in science and technology. Moreover, we will push forward the green transformation, implement quality and efficiency improvement actions and further enhance our value creation capacity to bring greater returns to our shareholders. For the full year, capital expenditure is expected to be RMB125-135 billion, production is targeted at 700-720 million BOE, and reserve replacement ratio will be no less than 130%. At the same time, the Company will maintain a sound health, safety and environmental performance.

## **DIVIDENDS**

An interim dividend of HK\$0.59 per share (tax inclusive) was declared on 17 August 2023, and paid to the shareholders of the Company on 18 October 2023.

The net profit attributable to ordinary shareholders of the Company under the 2023 consolidated financial statements is RMB123,843 million. In overall consideration of the factors such as the future earnings, capital requirements, financial position, future prospect and cash flow of the Company, the Board proposes to distribute the final dividend for 2023 in the amount of HK\$0.66 per share (tax inclusive) to all the shareholders. Based on the Company's total share capital of 47,566,763,984 shares as of 31 December 2023, the total final dividend for 2023 is HK\$31,394 million (tax inclusive), together with the interim dividend of HK\$0.59 per share (tax inclusive) already paid, the total of final dividend and interim dividend for 2023 are HK\$1.25 per share (tax inclusive), and the total dividend payment amount is HK\$59,458 million



(tax inclusive), accounting for approximately 44% of net profit attributable to ordinary shareholders of the Company under the 2023 consolidated financial statements. During this profit distribution, the Company will not distribute bonus shares or convert capital reserve into share capital. The dividends will be denominated and declared in HKD. The dividends on A shares will be paid in RMB calculated using the average central parity rate between HKD and RMB announced by the People's Bank of China for the week immediately preceding the date of the declaration of dividend by the Annual General Meeting; dividend for Hong Kong shares will be paid in HKD.

In the event of any change in the total issued shares of the Company from the date of announcement to the registration date for the final dividend of 2023, the Company intends to maintain the same amount of dividend payable per share and adjust the total distribution amount accordingly, and disclose the details of the adjustment separately. The Company's final share distribution plan for 2023 has been approved by the 2nd meeting of the Board of Directors of the Company in 2024, and is subject to the approval by the shareholders in the 2023 annual general meeting of the Company.

## AUDIT COMMITTEE

The Audit Committee of the Company has reviewed, together with the management, the Company and its subsidiaries' consolidated financial statements for the year ended 31 December 2023, including the accounting policies adopted by the Company and its subsidiaries and has discussed the risk management, internal control and financial reporting matters. The Audit Committee of the Company has reviewed the annual results of the Company and its subsidiaries for the year ended 31 December 2023.

This announcement has been based on the Company and its subsidiaries' consolidated financial statements for the year ended 31 December 2023 which have been agreed with the auditor.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Between January and December 2023, CNOOC Petroleum North America ULC ("CPNA", an indirect wholly-owned subsidiary of the Company) repurchased and cancelled the following bonds issued by it as issuer in the over-the-counter market:

Issuer	Maturity Date	Coupon Rate	Face Amount (USD)	Face Amount Repurchased (USD)	Percentage of Repurchase	Outstanding
						Amount as at 31 December 2023 (USD)
CPNA	15 March 2032	7.875%	431,456,000	27,824,000	6.45%	403,632,000
CPNA	10 March 2035	5.875%	732,246,000	4,000,000	0.55%	728,246,000
CPNA	30 July 2039	7.500%	696,000,000	5,800,000	0.83%	690,200,000

None of the above bonds was listed on the HKSE or SSE.

Save as disclosed in this announcement, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of its listed securities during the year ended 31 December 2023.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with all code provisions in the “Corporate Governance Code” as set out in Part 2 of former Appendix 14 to the Listing Rules of HKSE throughout the year ended 31 December 2023.

## PROVISIONS FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the abovementioned Code of Ethics which has incorporated the provisions for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules of HKSE, the Securities Law of the People’s Republic of China and the Listing Rules of SSE. All Directors have confirmed that they complied, during the year ended 31 December 2023, with the required standards set out in the Company’s Code of Ethics.

## PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The electronic version of this announcement is published on the website of HKSE (<http://www.hkex.com.hk>), the website of SSE(<http://www.sse.com.cn>) and the Company’s website (<http://www.cnooltd.com>). The annual report for the year ended 31 December 2023, containing all the information required by Appendix D2 to the Listing Rules of HKSE, will be despatched to shareholders of the Company and published on the websites of HKSE and SSE, and the Company’s website in due course.

By Order of the Board  
**CNOOC Limited**  
**Wang Dongjin**  
*Chairman*

Hong Kong, 21 March 2024

As at the date of this announcement, the Board comprises:

**Executive Director**  
Zhou Xinhui

**Non-executive Directors**  
Wang Dongjin (*Chairman*)  
Wen Dongfen

**Independent Non-executive Directors**  
Chiu Sung Hong  
Qiu Zhi Zhong  
Lin Boqiang  
Li Shuk Yin Edwina

*This announcement includes forward-looking information, including the likely future developments in the business of the Company and its subsidiaries, such as statements regarding expected future events, business prospects or financial results. The words “expect”, “anticipate”, “continue”, “estimate”, “objective”, “ongoing”, “may”, “will”, “project”, “should”, “believe”, “plans”, “intends” and similar expressions are intended to identify such forward-looking statements. These statements are based on assumptions and analyses made by the Company as of this date in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors the Company currently believes are appropriate under the circumstances. However, whether actual results and developments will meet the current expectations and predictions of the Company is uncertain and depends on a number of uncertainties which could cause the actual results, performance and financial condition may differ materially from the Company’s expectations, including but not limited to those associated with fluctuations in crude oil and natural gas prices, macro-political and economic factors, changes in the tax and fiscal regimes of the host countries in which we operate, the highly competitive nature of the oil and natural gas industry, environmental responsibility and compliance requirements, the Company’s price forecast, the exploration and development activities and mergers, acquisitions and divestments activities, HSSE and insurance policies and changes in anti-corruption, anti-fraud, anti-money laundering and corporate governance laws. Consequently, all of the forward-looking statements made in this announcement are qualified by these cautionary statements. The Company cannot assure that the results or developments anticipated will be realised or, even if substantially realised, that they will have the expected effect on the Company, its business or operations.*