

2013

Annual Report

China Three Gorges Corporation



中国三峡
China Three Gorges Corporation

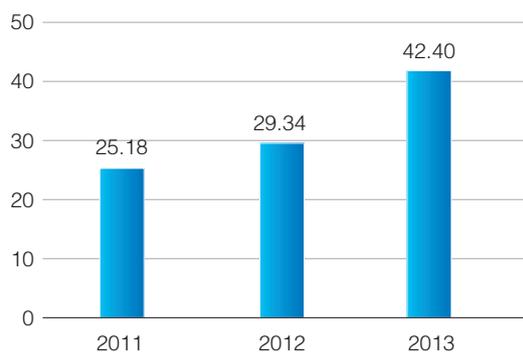


Build the Three Gorges Project and Develop the Yangtze River

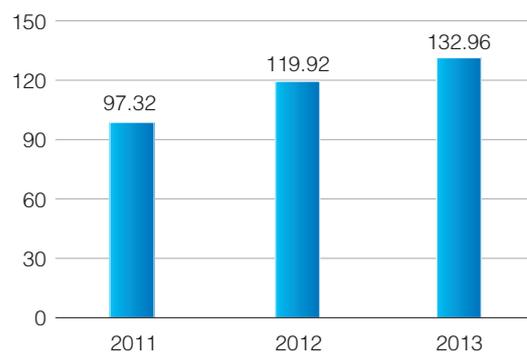
Key Performance Indicators in 2013

(From Corporate Consolidated Financial Statements)

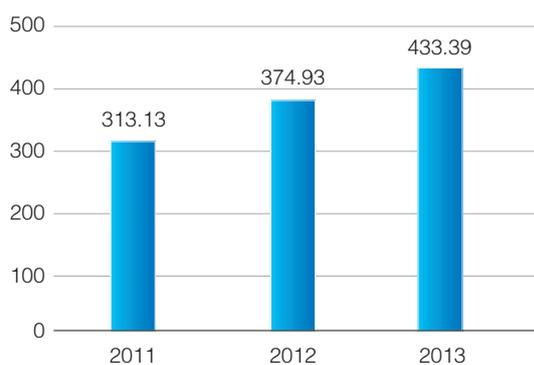
Installed capacity (in GW)



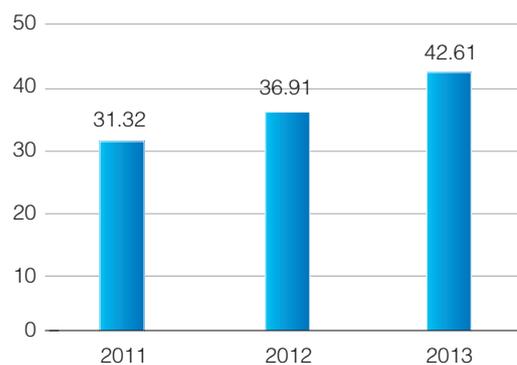
Electricity generated (in TWh)



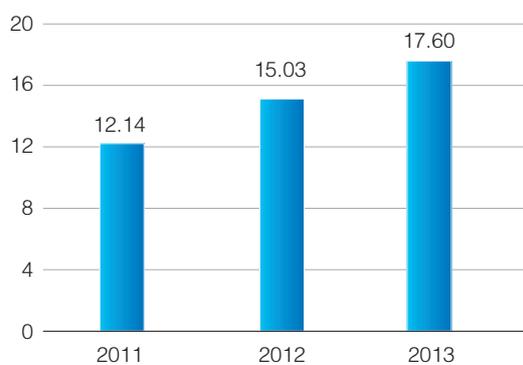
Total assets (in RMB billion)



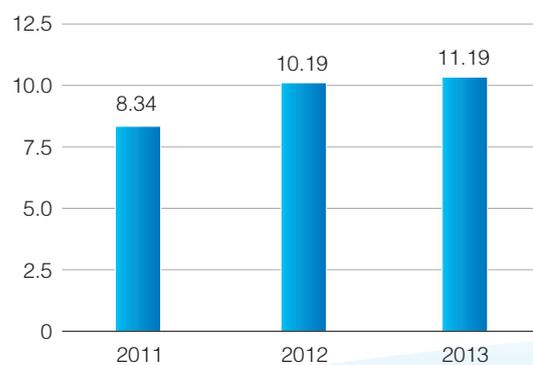
Operating revenue (in RMB billion)



Net profits (in RMB billion)



Total taxes paid (in RMB billion)



Basic Information

Chinese Name: 中国长江三峡集团公司

English Name: China Three Gorges Corporation

Abbreviation: CTG

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Address from Board Chairman



China Three Gorges Corporation (CTG), is strategically positioned as a clean energy group focusing on large-scale hydropower development and operation, delivering on its commitments to “Build the Three Gorges Project and develop the Yangtze River, provide clean energy and build beautiful communities together” . Over the past year, under the leadership of the CPC Central Committee and the State Council, CTG was led by the spirit of the Scientific Outlook on Development, bearing in mind the corporate vision of becoming a world-class clean energy group. We continued with the implementation of CTG's 12th five-year plan and made breakthroughs in terms of project construction, electricity production and operations, setting historic records in key performance indicators, such as installed capacity, annual electricity production, operating revenues and profits totaled, which contributed significantly to the national energy restructuring and the steady growth of the national economy.

As the world political and economic landscapes are undergoing profound adjustments, the energy supply and demand dynamics are changing substantially, energy supply and safety are producing far-reaching impact on China's efforts to build a well-off society. Meanwhile, with the global environmental issues becoming more urgent, it has become inevitable for China to promote changes in energy production and consumption patterns, as well as to follow a road to clean, efficient, secure and sustainable energy development. As a major State Owned Enterprise (SOE), to proactively develop clean energy, serve the national energy development strategy, the national economic and social development and the improvement of people's livelihood is a call of duty for us.

The new year marks a fresh start. We will keep our responsibilities and mission in mind, stick to the scientific outlook on development, implement the decisions made at the 18th national congress of CPC, the second and third plenary sessions of the 18th CPC Central Committee, the Central Economic Working Conference and the Meeting of Central SOE Leaders, work with one common goal, overcome difficulties, proceed with reforming initiatives at the corporate level, carry out strategic priorities for this year, spare no efforts to make breakthroughs on CTG's implementation of Scientific Outlook on Development and ultimately make new, greater contribution to the realization of the Chinese Dream of achieving revitalization of the Chinese Nation and the construction of a beautiful China.



Address from President



The year 2013 was the most critical year under CTG's 12th five-year plan. Under the spirit of Scientific Outlook on Development, all CTG people worked together, overcome difficulties, met and exceeded the annual key performance indicators set by the State-owned Assets Supervision and Administration Commission with historical achievements, including reaching 42.4 GW of installed capacity with a 44.5% year-on-year increase, realizing 133 TWh of electricity production with a 10.9% year-on-year increase, realizing operating revenues of RMB 42.6 billion with a 15.4% year-on-year increase, achieving profits totaled RMB 21.6 billion with a 11.9% year-on-year increase, thus having achieved simultaneous growth in terms of both size and profitability.

In 2013, the Three Gorges Project realized the trial impoundment target of 175 meters for the fourth consecutive time and achieved safe, efficient and stable operation for ten consecutive years. The Jinsha River hydropower developing projects reached a significant milestone with the Xiluodu hydropower station hitting the impoundment and power generation targets as scheduled and the concrete placing on the Xiangjiaba Dam reaching the top, the combined installed capacity of the two hydropower stations put into operation this year reaching 11,640 MW, which is half of that of Three Gorges Hydropower Station in terms of installed capacity. New energy and international business progressed steadily by overcoming daunting challenges. The installed capacity of new energy reached 3 GW and the accumulated overseas equity installed capacity reached 5 GW.

The year 2014 is both an important year for further implementation of CTG's 12th five-year plan and the starting year of CTG's efforts to implement the decisions made at the 3rd plenary session of the 18th CPC Central Committee and to proceed with the company reform. We are facing extraordinarily challenges and we are shouldering a historical mission that brings us great honor. Under the guidance of Scientific Outlook on Development, we will continue with the steady development pace, deepen the corporate reform and governance, accelerate the speed of building an international first-class clean energy group, fulfill the economic, political and social responsibilities of a Central State Owned Enterprise and contribute to the building of a well-off society and steady growing of the national economy.

A stylized handwritten signature in black ink, located in the bottom right corner of the page. The signature is cursive and appears to be the name of the President.

About Us

As part of the initiative to build the Three Gorges Project and develop the Yangtze River, with the approval of the State Council, the China Three Gorges Project Corporation was founded on September 27, 1993. On September 27, 2009, the Corporation changed its name to “China Three Gorges Corporation” (CTG). In January, 2010, CTG established its Board of Directors. In December 2012, the Board of Supervisors (authorized by the State Council) was established in CTG.

CTG is a wholly state-owned enterprise with registered capital of RMB 149.54 billion. By the end of 2013, the consolidated total assets reached RMB 433.39 billion and the consolidated total liabilities reached RMB 186.34 billion, an asset-liability ratio of 43%. There are 18,121 employees in total, including 2 Academicians of the Chinese Academy of Engineering, 77 experts who receive State Council Allowances and 2 nationally recognized outstanding experts.

CTG is strategically positioned as a clean energy group specialized in large-scaled hydropower development and operation with its main business in hydropower project construction, management and operation, electricity production, international investment and project contracting, new energy development and related technical services. CTG takes full responsibilities for the construction and operation of the Three Gorges Project. The Central Government has authorized CTG to build four mega-size hydropower stations, which are the Xiluodu, Xiangjiaba, Wudongde and Baihetan projects on the lower reaches of the Jinsha River; actively develop new energy, such as wind and solar power, etc; accelerate the implementation of its go-global strategy and devote to the building of an international first class clean energy group.



Hydropower



Wind Power

According to CTG's 12th five-year plan, by the end of 2015, the installed capacity will reach 55 GW. By the end of 2013, CTG owned installed capacity of 42.4 GW, including large-scale hydropower installed capacity of 39.28 GW (approximately 14% of the total national hydropower installed capacity) and installed wind and solar power capacity of 2.78 GW. In 2013, CTG realized electricity production of 132.96 TWh, operating revenues of RMB 42.61 billion and total profits of RMB 21.64 billion.

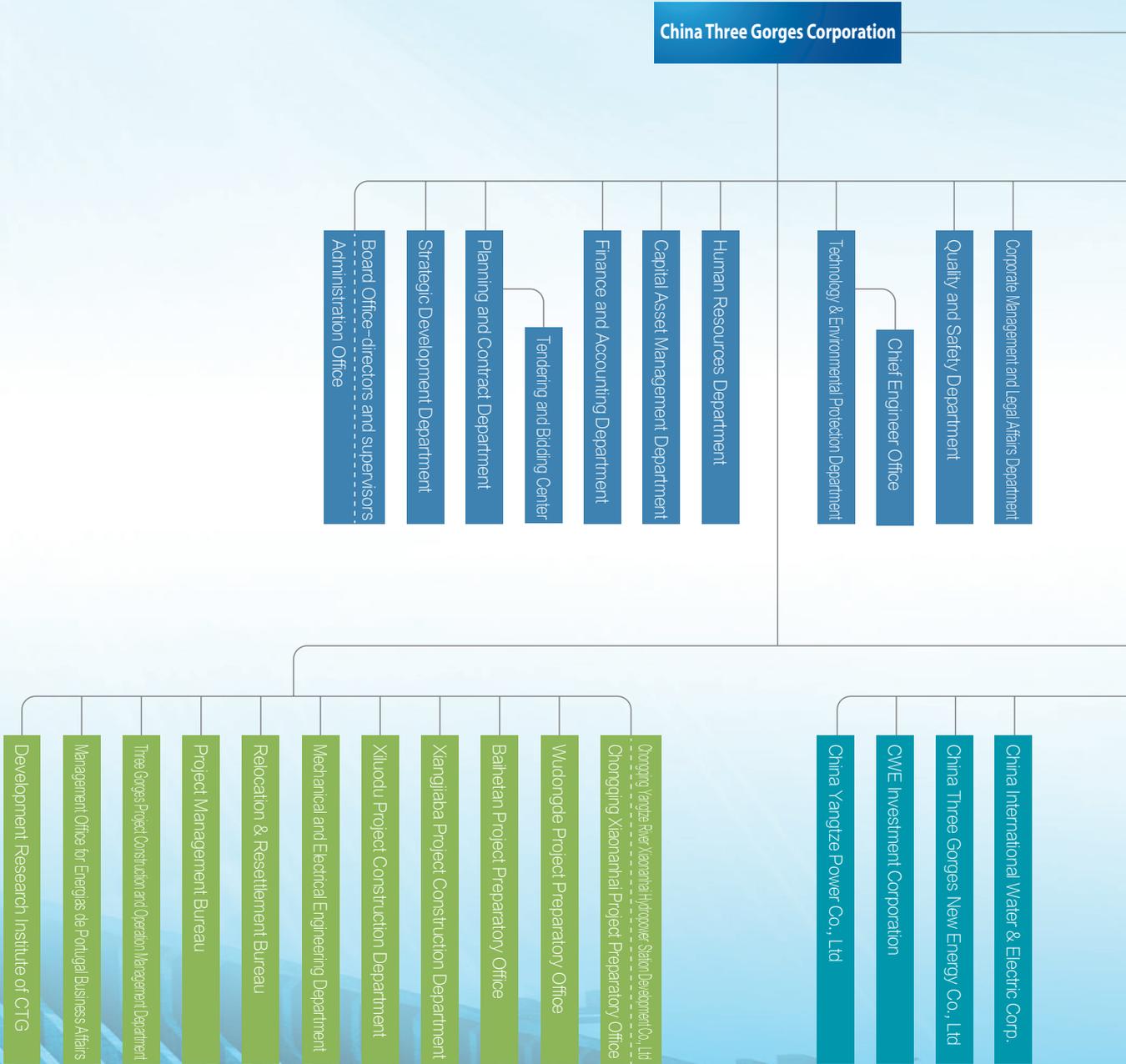
CTG headquarters comprises an Administration Office and 14 other functional departments; 3 specialized management centers: Information Center, News & Publicity Center and Tendering and Bidding Center; Three Gorges Project Construction and Operation Management Department and 8 other departments and units for project construction management; Development Research Institute of CTG, a direct affiliated unit; CTG has two branch companies in Inner Mongolia and Tibet and owns 17 wholly-owned and majority-owned subsidiaries, such as China Yangtze Power Co., Ltd (a majority-owned listed company), CWE Investment Corporation, China Three Gorges New Energy Corporation and China International Water & Electric Corporation.



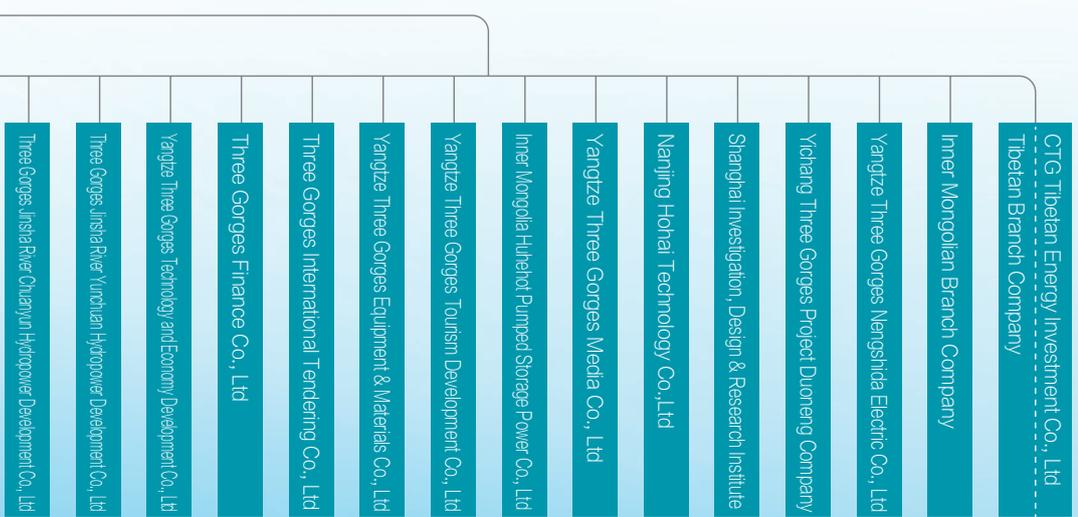
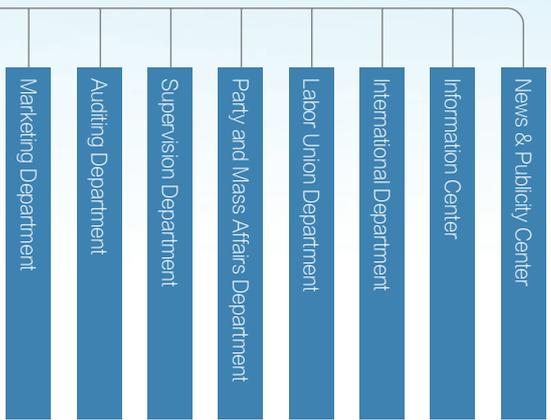
Solar Energy

International
Business

Organizational structure



Board of Supervisors
Authorized by the State Council



Board of Directors



Lu Chun
Board Chairman



Wang Lin
President



Yu Wenxing
Board Director



Ma Zhigeng
Outside Director



Liu Zhi
Outside Director



Shi Jinquan
Outside Director



He Muyun
Outside Director



Wu Xiaogen
Outside Director



Yao Yuanjun
Employee Director

Management Team



Lu Chun
Board chairman



Wang Lin
Board Director, President



Lin Chuxue
Executive Vice President



Bi Yaxiong
Executive Vice President



Fan Qixiang
Executive Vice President



Yu Wenxing
Board Director,
Head of Disciplinary
Inspection Team



Sha Xianhua
Executive Vice President



Zhang Cheng
Executive Vice President



Yang Ya
Chief Accountant &
Financial Officer

Core Concepts

Statement of Culture

We Are CTG

Mission

Build the Three Gorges Project and develop the Yangtze River, provide clean energy and build beautiful communities together

Vision

Build an international first-class clean energy group

CTG's Enterprise Spirit

Science and Democracy
Seeking Truth and Innovating
Solidarity and Cooperation
Courageous to Shoulder Responsibility

Hydropower Development Principles

"Four in one" concert

Build a hydropower station to stimulate the local economy, improve the local environment and benefit the resettled residents

Guidelines:

long term cooperation, local integration, equal consideration of all sides, mutual benefits and double-win

Core Values

Dedication, Responsibility, Innovation, Harmony



Business Strategy



Large-Scale Hydropower Development and Operation



Normal Storage Level (meter)



Continuous Development of Cascaded Hydropower Stations on the Mainstream of the Yangtze River

The Three Gorges Water Conservancy and Hydropower Complex



Gezhouba Hydropower Station



No.	Hydropower Station	Installed Capacity (GW)	Annual Electricity Production (TWh)	Remarks
1	Gezhouba	2.735	16.24	Completed
2	Three Gorges	22.50	88.20	Completed
3	Xiangjiaba	6.40	30.75	Under construction
4	Xiluodu	13.86	64.06	Under construction
5	Baihetan	16.00	64.00	In preparation
6	Wudongde	10.20	38.93	In preparation

Comprehensive Benefits of Three Gorges Project

The Three Gorges Project is a key backbone project for the development of the Yangtze River, it brings benefits in terms of flood control, drought relief, water supply, navigation, ecological protection and power generation, making it a major water conservancy project that supports and improves people's livelihood. Under the guidance of Scientific Outlook on Development and with a view to maximize its comprehensive benefits, CTG has been carefully coordinating the relations among flood control, drought relief, water supply, navigation, ecological protection and power generation, thus ensuring the Three Gorges Complex operate safely and efficiently as a major contributor to the social and economic sustainability in local areas.

Flood Control

Flood control on the Yangtze River is the primary purpose of the Three Gorges Project. During the flood season in 2013, the Three Gorges Reservoir witnessed the maximum inflow flood of 49,000 m³/s; the Three Gorges dam was regulated for flood control for five times, with the maximum flood peak cutting amount of 14,000 m³/s and cutting ratio of 29% ; the accumulated impounded total flood flow was 11.8 billion m³. Thorough flood retention and peak shifting with the help of the reservoir, the maximum outflow from the reservoir was kept under 35,000m³/s, thus ensuring the successful flood control along the middle and lower reaches of Yangtze River. In addition, to evacuate the ships as soon as possible during the flood season, the Three Gorges Reservoir was regulated for ship evacuation. Through keeping the outflow flood below 25,000m³/s, 360 ships waiting to pass the ship locks were evacuated.



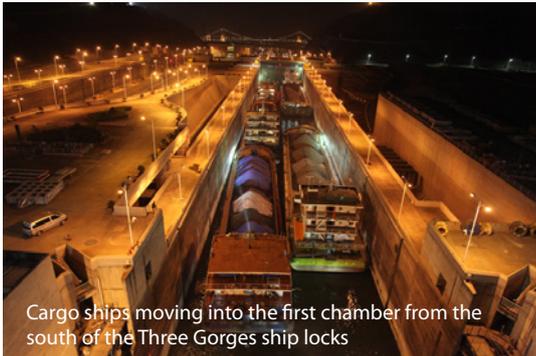
Nightscape of the Three Gorges Dam discharging flood

Drought Relief

Over the past years, the Yangtze River watershed witnessed several droughts. CTG gives abundant attention to the Three Gorges Dam's role in drought relief and water replenishment. In light of the water from the upstream of Yangtze River and water demand in the middle and lower reaches of the river, the Three Gorges Reservoir started supplying water from the water level of 174.55 meters to the downstream on December 24th, 2012 for a 183-day replenishment operation. 23.8 billion m³ of water was supplied from there reservoir, thus effectively addressing the water shortage for productive and ecological purposes along the middle and lower reaches of the river.

Improving Navigation Conditions

After the Three Gorges Reservoir was built and formed, the reservoir area reached the Chongqing City and greatly improved the 660 km navigation course, while reducing the transportation costs and the average fuel consumption from 7.6 kg to 2.0 kg (thousand tons/Kilometer) in 2013. The water depth of navigation channel was increased by about 1 meter on average, as the Three Gorges Reservoir replenishes water to the downstream during the dry season, thus improving the navigation standard and navigational safety for ships along the downstream navigation channel.



Cargo ships moving into the first chamber from the south of the Three Gorges ship locks

Three Gorges Reservoir ship locks are important navigational structures at the Three Gorges Complex. In 2013, these ship locks were operated 10,770 times with 46,000 ships, 432,000 passengers and 97.07 million tons of goods including 60.29 million tons of upstream going cargo passing thorough. Both the number of operations of ship locks and the volume of upward freight set a historic record.

To make full use of the navigational role of the Three Gorges Dam and ensure safe and efficient operation of the ship locks, CTG worked to improve the operation management, repair and renovation of the ship locks through technical and managerial innovations. The first large-scale ship locks

operation and managing manual was made, the maintenance concept of “making large repair in a small way and small way of repair daily based” , developed and improved a large number of tools and materials for rapid repair as well as constructional organization and processes, trying to minimize the downtime of ship locks due to repair. In 2013, CTG completed the repair of the northern section of the five-step ship locks in of the Three Gorges Project within merely 20 days, breaking the traditional way of repair and maintenance of ship locks. By retrofitting the floating makefast and putting in place permanent infrastructures for waiting ships on the lower and upper reaches, the efficiency and passing ability of ship locks of the Three Gorges Project was improved.

Ecological Protection

In 2013, the conservation of Chinese sturgeon has made significant progress, as all-artificial reproduction of Chinese sturgeon succeeded, producing 750,000 fries in a single batch, a highest figure in the Chinese history. The campaign to reproduce and release Chinese sturgeon was well underway, as over 5,000 mature Chinese sturgeons were released into nature at one time, a significant contribution to improving the structure of wild Chinese sturgeon population.

Meanwhile, in order to facilitate the natural reproduction of the four major common fish species, Three Gorges Reservoir launched a one-week ecological dispatching test since May 7th, 2013, creating the flood process of hydrologic and hydraulic conditions required for reproduction of these four fish species. Over the past three years, thanks to the ecological dispatching, 777 million eggs and fries of these four common fish species were monitored within the cross section of Yichang-Dujiangyan part of the river, thus effectively facilitating the large-scaled natural reproduction of four common fish species.



Primary and middle school students in the Yichang City join the campaign to release Chinese sturgeon

Providing Clean Energy

In 2013, the generating units have been running reliably due to precise regulation, careful maintenance and lean operation, as a result, 82.83 TWh of electricity was generated at the Three Gorges Power Station throughout the year. As of the end of 2013, the Three Gorges Power Station has been safely operated for 2,693 consecutive days and generated total electricity of 711.97 TWh, equivalent to CO₂ emission reduction of 561 million tons and SO₂ emission reduction of 6.73 million tons, thus becoming the biggest green house gas emission reduction program in China.

Jinsha River Hydropower Development

The Jinsha River is the largest hydropower source in China, ranking top among “China’s thirteen major hydropower source” plan. Bearing in mind long-term partnership, community engagement, balanced approach and mutual benefit, CTG accelerated the construction of the four mega-size hydropower stations of Xiluodu, Xiangjiaba, Wudongde and Baihetang. The combined installed capacity of these four power stations totaled 46.46 GW, two times the installed capacity of the Three Gorges Project. With a combined annual electricity production of about 190 TWh, these four power stations will become backbone of the “West-to-East Power Transmission Project” .

The establishment of the Jinsha River Chuanyun Hydropower Development Company and the Jinsha River Yunchuan Hydropower Development Company

With the approval of the National Development and Reform Commission, CTG established two project companies in collaboration with Sichuan and Yunnan provincial governments to build cascaded power stations downstream of Jinsha River. In early 2013, for the purpose of pairing up and balancing, the Jinsha River Chuanyun Hydropower Development Company was set up to take charge of construction and operation of Xiluodu Hydropower Station and Xiangjiaba Hydropower Station, and the Jinsha River Yunchuan Hydropower Development Company was established to build and operate the Wudongde Hydropower Station and Baihetan Hydropower Station. CTG holds 70% equities in the two project companies, with Sichuan and Yunnan provinces holding 15% each.



Three Gorges Jinsha River Chuanyun Hydropower Development Co., Ltd was established

Power generation and project construction of the Xiangjiaba Hydropower Station were carried out at the same time

In 2013, the Xiangjiaba project was ongoing well in terms of engineering quality and safety thanks to careful organizational and managerial efforts according to the quality requirements from the beginning to the end, with view of zero quality defects and zero industrial accident. The Xiangjiaba Hydropower Station's dam was built up to the design height of 384 meters and successfully impounded water to a normal impoundment level of 380 meters, signifying a milestone of the project.

In 2013, three additional generating units at Xiangjiaba Hydropower Station were put into operation, increasing the number of operating generating units to 6 and the total installed capacity to 4.80 GW and generating 18.38 TWh of electricity throughout the year. In particular, the four generating units at right bank powerhouse have been in stable operation for the first 100 days, and the No.1 and 2 generating units at the left bank powerhouse operated reliably after being put into operation, without a single case of unscheduled shutdown.

The first array of generating units at the Xiluodu Hydropower Station put into operation

In 2013, bearing in mind four critical objectives in schedule, which are closure, impoundment for power generation, flood control and project completion as well as three lines of work, which are construction implementation, ensuring sufficient funding and safety inspection and acceptance, the Xiluodu Hydropower Station successfully impounded water as scheduled and its first array of generating units were put into operation thanks to meticulous efforts in planning, organizing, constructing, supervising and operating, setting two world records by putting four generating units into operation in a single month and 12 generating units in a single year with power production of 9.24 GW in a single year. The project withstood the test of high water head, high flow rate and high voltage and had an all-round success in this critical year with a electricity production of. 11.18 TWh in 2013.



The first rotor was being hoisted in place at the Xiluodu Power Station in 2013



A bird eye view of Wudongde Hydropower Station

Actively Implement the Preparation Work of the Wudongde and Baihetan Hydropower Stations

Wudongde and Baihetan Hydropower Stations are part of the phase 2 project of the cascade development of downstream Jinsha River. The feasibility study reports on these two stations were approved by National Development and Reform Commission in 2010, giving a green light to the commencement of construction of these two power stations. These two hydropower stations are over 10,000MW hydropower stations to be built after the Three Gorges Hydropower Station and Xiluodu Hydropower Station, as the central power source under the “West-to-East Power Transmission Project” , an important part of the flood control system along Yangtze River, the key hydropower development projects under the national 12th

five-year plan for renewable energy sources as well as major contributor to China's target of increasing the percentage of non-fossil-source energy in primary energy consumption to about 15% in 2020.

The permitting process of these two power stations is well underway.

In 2013, the preparation for resettlement of local residents from the sites of these two power stations was well underway. National Energy Administration held two special meetings to discuss the project startup activities at these two power stations. Resettlement plans for these power stations were prepared by a designated planning institute and submitted to the local authorities for approval. GIWP consulted with Sichuan and Yunnan provincial governments on the method and criteria of resettlement and the technical standards for major relocation and rehabilitation works. The construction of resettlement zones is well underway.

In 2013, the Environmental Impacts Report for these two power stations were prepared, and the water and soil conservation plan was examined and submitted to the Ministry of Water Resources for approval, with the proposed installed capacity approved. The Feasibility Study Reports (complex part) of these two power stations were submitted to the National Energy Administration for review and approval, while the Power Transmission Plan has been basically completed. The land requisition proposal for the Wudongde Hydropower Station has been approved by the Ministry of Land and Resources, while the land requisition proposal for the Baihetan Hydropower Station is pending. Other administrative permitting activities are underway as scheduled.

The bidding documents for the procurement of the two projects were issued to potential bidders, who have conducted site visits and are preparing to bid.



A bird eye view of Xiangjiaba Hydropower Station



Xiangshui Windfarm in Jiangsu Province



The first phase of the Pishan photovoltaic power station



Chaoyang photovoltaic power station in Jiuquan, Gansu Province

New Energy Development

In 2013, by overcoming the difficulties in permitting, grid-connecting and financing, CTG found a new way of business growth, improved its management practices, became much more capable to secure resources and exert control over investment projects and enhanced its capability of power marketing. As of the end of 2013, the new energy business of CTG covered 30 Chinese provinces, and the combined installed capacities of such new energy sources, such as wind, solar and small and medium-sized hydropower projects in operation reached 2.96 GW, generating 3.84 TWh throughout the year with operating revenue of RMB 2.40 billion and total profits of RMB 576 million.

Wind Power Business Made Progress

In 2013, in response to the government's call and the industry dynamics, CTG endeavored to find a new way to secure resources, rationalized its business portfolio and intensified efforts to implement wind power generation projects in areas where wind speed is low, connection to the power grid is good (southern China) and power consumption is strong. Throughout the year, CTG secured additional wind power generation capacity of 5.64 GW, put additional installed capacity of 695 MW into operation and increased its total installed wind power capacity to 2 GW.



A wind farm in Hami of the Xinjiang Autonomous Region

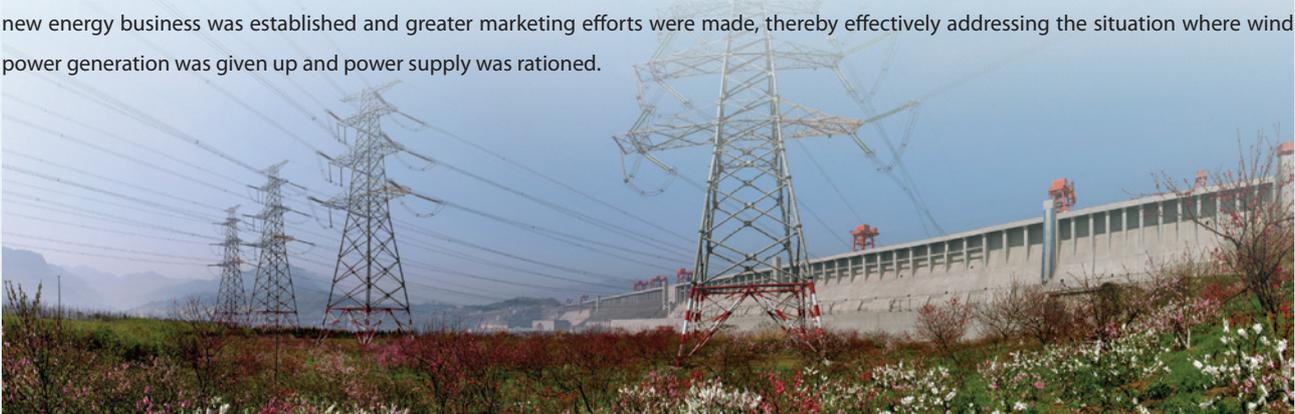
Breakthrough in Solar Energy Development

In 2013, by keeping track of the photovoltaic industry's policy and seizing the opportunities as they rise, CTG intensified investment and development efforts, found a new way of business growth, developed corporate technical standards, adopted standard-based management practices, established a system of cost quota standard, strictly controlled over project costs and implemented a modular design scheme for photovoltaic power stations as guidelines for project design and development. CTG secured additional photovoltaic capacity of 7.63 GW, put into operation additional installed capacity of 710 MW and increased its total installed photovoltaic power capacity to 740 MW.



Power Generation and Marketing Efforts Achieved Success

In 2013, CTG improved the power operation management in its new energy business, prepared a template for power station operation and maintenance protocol, adopted power station startup and protection guidelines, rigorously examined the operational protocol of new projects, implemented a management approach that separates operation of power stations from power station maintenance activities and improved its management practices for technical renovation of power generation equipment. A marketing management system for new energy business was established and greater marketing efforts were made, thereby effectively addressing the situation where wind power generation was given up and power supply was rationed.



49.5 MW wind farm in Cixi of Zhejiang Province

International Strategy

CTG has been actively implementing its "going out" strategy in response to the Chinese government's calling, by engaging in international business steadily while growing its clean energy business in China.

The international strategy of CTG involves making full use of its technical, managerial, brand and financial strengths, leveraging the specialized integration capabilities in terms of investment, construction, operation and consulting in large scale hydropower stations, seeking international investment and contracting opportunities and establishing four international business units for overseas investment, construction, operation and consultancy, providing package solution to overseas customers and achieving global allocation of resources, with a view of becoming an international first-class clean energy group through international operations.

The international business strategy of CTG focuses on power industry and three markets (i.e., neighboring countries, famous rivers and developed western countries) under the guidance of tracking resources, power grids, foreign affairs and foreign assistance to achieve the globalization of international business.



A rendering of engineering design of Saint Marty Hydropower Station in Nepal

Overseas Business Portfolio

As of the end of 2013, CTG had business in 37 countries and regions, with 84 ongoing international construction and investment projects.

The international investment markets that CTG has explored or is currently exploring include Burma, Pakistan, Laos, Nepal, Russia and Indonesia etc., the neighboring countries; Portugal, Greece, the US and Australia, the western new energy markets; Brazil and

Democratic Republic of Congo, with world famous rivers; markets in Mozambique, Equator and Peru are also being developed. In 2013, while operating in three markets (i.e., neighboring countries, famous rivers and developed western countries), CTG put efforts of international business development on further exploitation of existing markets and identified Brazil and Pakistan as the top-priority markets in the near future, with substantial achievements made in key projects.



The first phase of a wind farm in Pakistan

After one year's efforts, CTG's overseas business portfolio became more rational, market development efforts became more orderly and paid off, the CTG branding became more influential, the capabilities to integrate resources improved, as the international strategy is being well implemented.

International Project Contracting

As of the end of 2013, CTG's international project contracting business was distributed in 26 countries and regions, with 80 projects under construction. In 2013, CTG had 1.21 billion dollars of

revenue from international contracting business and signed 17 international construction contracts including five contracts over 100 million USD each and a total contract price of 1.82 billion USD.

In 2013, CTG emphasized its international contracting projects on large-sized EPC projects, government's economic aid, preferential loan and preferential buyer's credit, export credit. Large EPC projects accounted for 87% of the total value of the new international engineering contracts.

With the increasingly fierce competition in the international market, CTG intensified its marketing efforts, making its way into several countries. The newly contracted Isimba Hydropower Project and power transmission and distribution line project in Uganda are worth over 570 million USD, as the first project ever won by CTG in Uganda, as well as the starting point of CTG's efforts to exploit the hydroelectric resources along While Nile ---the world-famous river. The newly contracted Kaleta Hydropower Project in Guinea (a 450 million-dollar EPC turn-key project) is a prioritized energy project of the Guinean government with installed capacity of 240MW. This project, once completed, will significantly address the serious undersupply of power in Guinea and neighboring countries and also provide sufficient energy in support of the mining sector in Guinea. The newly contracted Kneil Flood Control Project in Ecuador (a 390 million dollar EPC project) is the largest project undertaken by CTG in South America, as well as a prioritized flood control project in Ecuador. Since the commencement of the project, CTG actively got involved in local community, complied with the local safety rules and regulations and made remarkable achievements in corporate social responsibility and HSE, winning applauses from all walks of life in Ecuador.



Section 2A, 2B and 2C of Merowe Dam in Sudan

Photovoltaic project in Greece



International Investment

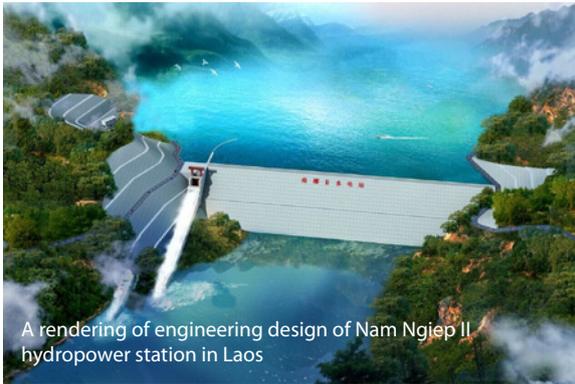
As of the end of 2013, CTG held 21.35% stake in EDP which makes CTG the largest share holder. Since CTG invested in the Portuguese company, EDP has been operating steadily, achieving profitability targets for two consecutive years, with annual ROI of 8.4% calculated using equity method, a figure higher than CTG's return on total assets; CTG earned cash dividends of € 144 million each year and a dividend yield of 5.67% since 2012, which is higher than the financing costs of CTG. CTG makes full use of the strategic value of its stake in EDP and joins hands with EDP to develop clean energy markets in Europe, South America and Africa using EDP's global network, resources, technical and managerial expertise. Currently, CTG has made its way into European new energy market and Brazilian hydropower market, setting an example of overcoming market barrier and going global for Chinese companies.



EDP's global supplier road-show was held in Beijing for the first time since CTG invested in EDP

CTG owns two power stations in operation, i.e., Nam Lik 1-2 hydropower station in Laos and the first phase photovoltaic power station in Greece. Three investment projects of CTG, i.e., the first phase of a wind farm in Pakistan, Nam Ngiep II hydropower station in Laos and Saint Marty Hydropower Station in Nepal, are currently under construction. CTG secured three hydropower projects in Brazil, with a combined installed capacity of 1.32 GW. Multiple follow-up projects are currently at the initial phase, with a combined controlled installed capacity of 30.90 GW.





A rendering of engineering design of Nam Ngiep II hydropower station in Laos

International Operations and Consulting

CTG actively explores overseas project operation and management business using its advantages. In 2013, CTG set up its own team to operate and manage Nam Lik 1-2 hydropower station in Laos and a photovoltaic power station in Greece, both of which have been in stable operation and hit the annual power generation targets thanks to CTG's management and maintenance efforts. In addition, CTG continued exploring overseas markets for power station operation and management and provides consulting services to foreign power station owners with respect to operation and management.

CTG actively explores markets for international consultancy. So far, CTG has completed a number of international consultancy projects including cooperative planning of power industry in Southern Africa, planning of power transmission and distribution lines in Burma and feasibility study of wind power generation projects in four coastal provinces of Burma. Meanwhile, CTG joined hands with Germany-based Ramer Consulting GmbH to bid for the management consulting services for Pasha Hydropower Station project in Pakistan (with installed capacity of 4.5 GW) and is now making arrangements for planning and study of major rivers in Pakistan and actively following up on and hopefully participating in the feasibility study of Congo River Inga 3 hydropower station.

International Communication and Cooperation Continued

While going global, CTG engages in international communication and cooperation and successfully built up the good image of the Three Gorges project and gained a greater influence on the international arena through extensive exchange and cooperation with related international industry associations, watershed authorities, peer organizations and environmental organizations including International Commission on Large Dams, International Hydropower Association, UNESCO, the Nature Conservancy and World Wildlife Fund.



Uganda people are celebrating the inauguration of Isimba Hydropower Station



CTG attends EU-China Exhibition on Urban Development in collaboration with Energias de Portugal



The construction site of Upper Atbara Dam in Sudan

Key Financial Data

Item	2011	2012	2013
Total assets (RMB billion)	313.1	374.9	433.4
Ownership interest attributable to the parent company (RMB billion)	192.5	203.5	216.4
Business income (RMB billion)	31.3	36.9	42.6
Gross profit (RMB billion)	15.8	19.4	21.6
Gross profit margin of main business (%)	43.9	48.7	49.8
EBITDA (RMB billion)	24.6	29.3	34.4
Return on equity (%)	5.8	6.9	7.5
Total interest-bearing liabilities (RMB billion)	84.6	132.4	145.6
EBITDA interest coverage (X)	8.1	5.2	5.2
Total interest-bearing liabilities / EBITDA (X)	3.5	4.5	4.2
Total interest-bearing liabilities / (total interest-bearing liabilities + net assets) (%)	28.0	37.1	37.1
Asset liability ratio (%)	32.1	40.0	43.0

Auditor's Report

DahuaShenZi (2014) No. 004706

To the shareholders of China Three Gorges Corporation:

We have audited the accompanying financial statements of China Three Gorges Corporation (the "Company"), which comprises the consolidated and the Company's balance sheet as at December 31, 2013, and the consolidated and the Company's income statement, the consolidated and the Company's cash flow statement and the consolidated and the Company's statement of changes in equity for the year then ended, and notes to the financial statements.

Management's Responsibility for the Financial Statements

Management of the Company is responsible for the preparation and fair presentation of these financial statements. This responsibility includes: (1) preparing the financial statements that give a true and fair view in accordance with the Accounting Standards for Business Enterprises; (2) designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with China Auditing Standards. Those standards require that we comply with Code of Ethics for Certified Public Accountants, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

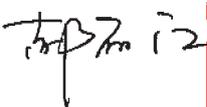
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider the internal control relevant to the entity's preparation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and the Company's financial position as of December 31, 2013, the consolidated and the Company's financial performance and the consolidated and the Company's cash flows for the year then ended in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.



CICPA:  

CICPA:  

April 26, 2014

Consolidated balance sheet

As of December 31, 2013

(All amounts in RMB YUAN unless otherwise stated)
[English Translation for Reference Only]

Assets	Notes	December 31, 2013	December 31, 2012	Assets	Notes	December 31, 2013	December 31, 2012
Current assets:				Current liabilities:			
Cash and bank	1	18,738,056,526.20	10,951,266,720.78	Short-term borrowings	26	634,215,150.00	369,917,500.00
Held-for-trading financial assets	2	128,958,849.19	534,950,023.36	Deposits and placements from other financial institutions	27	370,900,125.27	196,589,978.62
Notes receivable	3	405,444,224.83	321,090,521.45	Placements from banks and other financial institutions	28	2,400,000,000.00	2,400,000,000.00
Accounts receivable	4	5,060,490,034.09	3,391,387,499.62	Notes payable	29	2,463,560,962.44	236,884,502.27
Advances to suppliers	5	3,040,319,855.95	2,598,793,115.90	Accounts payable	30	4,986,939,146.68	2,589,729,299.48
Interest receivable	6	29,612,017.94	8,383,244.92	Advances from customers	31	2,532,787,766.57	2,012,400,565.64
Dividends receivable	7	78,568,344.95	6,435,000.00	Employee benefits payable	32	519,898,416.23	509,985,971.09
Other receivables	8	2,963,990,907.55	2,636,076,267.30	Taxes and surcharges payable	33	(1,534,278,798.60)	(744,162,374.39)
Inventories	9	2,199,703,084.24	1,904,622,188.46	Interest payable	34	2,598,740,818.26	2,347,043,369.38
Current portion of non-current assets		217,189,267.92	226,155,610.83	Dividends payable	35	156,693,833.31	7,863,408.35
Other current assets	10	18,570,136.92	216,939,245.21	Other payables	36	19,723,850,725.04	5,210,956,688.77
Total current assets		32,880,903,249.78	22,796,099,437.83	Current portion of non-current liabilities	37	21,549,707,782.38	1,322,206,853.57
Non-current assets:				Other current liabilities			
Loans and advances	11	612,800,000.00	862,400,000.00	Total current liabilities		76,369,441,432.23	46,916,528,116.30
Available-for-sale financial assets	12	11,567,271,568.38	15,431,438,686.52	Non-current liabilities:			
Held-to-maturity investments	13	10,000,000.00	10,000,000.00	Long-term borrowings	39	38,764,779,177.33	32,175,305,240.19
Long-term receivables	14	2,274,875,261.68	1,752,116,357.12	Bonds payable	40	64,713,825,352.27	68,121,970,438.11
Long-term equity investments	15	44,939,494,778.84	43,859,973,074.30	Long-term payable	41	32,983,871.71	30,983,871.71
Investment property	16	277,482,148.14	286,226,624.10	Grants payable	42	42,740,505.76	49,489,700.83
Fixed asset	17	227,594,339,671.51	165,983,578,102.70	Provisions	43	93,298,058.51	100,209,196.55
Construction in progress	18	95,364,653,377.88	111,738,234,404.91	Deferred tax liabilities	23	4,945,979,371.85	1,205,468,287.59
Construction materials	19	393,489,228.49	289,979,853.62	Other non-current liabilities	44	1,374,651,117.56	1,326,424,517.73
Intangible assets	20	2,403,874,402.43	1,900,937,581.09	Total non-current liabilities		109,968,257,454.99	103,009,851,252.71
Development disbursements	20	8,967,793.42	5,182,447.48	Total liabilities		186,337,698,887.22	149,926,379,369.01
Goodwill	21	2,625,608,088.11	2,569,703,219.40	Owners' equity:			
Long-term deferred expenses	22	105,877,384.05	90,307,134.02	Paid-in capital	45	187,536,711,395.60	149,536,711,395.60
Deferred tax assets	23	11,514,419,807.21	7,009,680,879.83	Capital reserve	46	6,821,570,102.99	7,140,301,650.87
Other non-current assets	24	817,737,138.03	342,112,142.16	Special reserve	47	995,187.02	792,412.16
Total non-current assets		400,510,890,648.17	352,131,870,507.25	Surplus reserve	48	8,390,530,094.46	44,163,919,242.29
				Retained earnings	49	12,820,864,755.64	2,336,671,724.83
				Currency translation reserve		828,341,538.22	307,786,122.44
				Equity attributable to parent company		216,399,013,073.93	203,486,182,548.19
				Minority interest		30,655,081,936.80	21,515,408,027.88
				Total owners' equity		247,054,095,010.73	225,001,590,576.07
Total assets		433,391,793,897.95	374,927,969,945.08	Total liabilities & owners' equity		433,391,793,897.95	374,927,969,945.08

Board Chairman: Lu Chun

President: Wang Lin

Chief Accountant: Yang Ya

Head of accounting firm: Jin Caijui

Parent company's balance sheet

As of December 31, 2013

(All amounts in RMB YUAN unless otherwise stated)
[English Translation for Reference Only]

Assets	Notes	December 31, 2013	December 31, 2012	Liabilities & owners' equity	Notes	December 31, 2012	December 31, 2011
Current assets:				Current liabilities:			
Cash and bank		9,845,015,026.75	6,270,057,146.81	Short-term borrowings		1,000,100,000.00	1,500,000,000.00
Held-for-trading financial assets				Deposits and placements from other financial institutions			
Notes receivable				Placements from banks and other financial institutions			
Accounts receivable	1		514,350,169.23	Notes payable			
Advances to suppliers		1,085,665,279.03	1,076,700,124.46	Accounts payable		287,392,873.88	363,278,368.14
Interest receivable		412,889,735.39	82,375,418.28	Advances from customers		3,965,000.00	1,465,000.00
Dividends receivable		201,124,243.59		Employee benefits payable		329,862,629.37	330,740,040.78
Other receivables	2	1,750,652,894.30	1,067,665,663.08	Taxes and surcharges payable		299,062,969.07	(1,510,572,260.86)
Inventories		159,536.84	149,982.85	Interest payable		1,679,819,269.67	1,418,014,211.50
Current portion of non-current assets		3,550,789,758.62		Dividends payable			
Other current assets		28,050,000,000.00	36,213,738,945.21	Other payables		3,304,065,419.26	4,319,329,555.12
Total current assets		44,896,296,474.52	45,225,037,449.92	Current portion of non-current liabilities		20,167,437,295.53	812,000,000.00
Non-current assets:				Other current liabilities		10,976,504,109.60	18,967,925,418.54
Loans and advances				Total current liabilities		38,048,209,566.38	26,202,180,333.22
Available-for-sale financial assets		5,897,306,417.32	8,912,298,920.86	Non-current liabilities:			
Held-to-maturity investments		28,000,000.00	28,000,000.00	Long-term borrowings		15,266,132,800.00	24,642,078,400.00
Long-term receivables		101,053,186,661.40		Bonds payable		35,283,378,439.70	40,355,864,611.74
Long-term equity investments	3	95,705,138,288.40	75,663,021,193.89	Long-term payable			
Investment property				Grants payable			
Fixed asset		28,722,084,234.23	47,218,750,707.69	Provisions			
Construction in progress		5,157,867,537.53	104,358,151,861.67	Deferred tax liabilities		4,041,972,508.89	176,934,665.95
Construction materials		21,063,500.14	210,571,116.82	Other non-current liabilities		1,325,424,517.73	1,312,424,517.73
Intangible assets		442,909,773.89	453,338,327.50	Total non-current liabilities		55,916,908,266.32	66,487,302,195.42
Development disbursements				Total liabilities		93,965,117,832.70	92,689,482,528.64
Goodwill				Owners' equity:			
Long-term deferred expenses				Paid-in capital		187,536,711,395.60	149,536,711,395.60
Deferred tax assets		145,767,991.29	160,199,793.67	Capital reserve		5,588,798,246.60	5,664,490,474.74
Other non-current assets		35,959,560,000.00	13,952,040,000.00	Special reserve			
Total non-current assets		273,132,884,404.20	250,956,371,922.10	Surplus reserve		8,774,346,096.72	44,545,174,723.64
				Retained earnings		22,164,207,307.10	3,745,550,249.40
				Currency translation reserve			
				Equity attributable to parent company		224,064,063,046.02	203,491,926,843.38
				Minority interest			
				Total owners' equity		224,064,063,046.02	203,491,926,843.38
Total assets		318,029,180,878.72	296,181,409,372.02	Total liabilities & owners' equity		318,029,180,878.72	296,181,409,372.02

Board Chairman: Lu Chun

President: Wang Lin

Chief Accountant: Yang Ya

Head of accounting firm: Jin Caijiu

Consolidated income statement

For the year ended December 31, 2013

(All amounts in RMB YUAN unless otherwise stated)
[English Translation for Reference Only]

Items	Notes	2013	2012
Operating revenue	50	42,159,625,943.59	36,438,815,885.01
Interest income	51	388,665,910.23	442,283,262.44
Fees and commissions income	52	59,568,975.99	23,816,076.92
Less: Operating cost	50	(21,100,688,915.49)	(18,276,020,923.05)
Interest expenses	51	(38,856,801.91)	(26,266,121.57)
Fees and commissions expenses	52	(7,737,577.75)	(12,439,094.83)
Business taxes and surcharges		(1,024,667,806.80)	(781,441,793.89)
Selling expenses		(66,968,971.63)	(62,089,071.89)
Administrative expenses		(2,427,668,559.68)	(2,147,708,849.86)
Finance expenses		(4,153,351,971.09)	(3,602,560,292.42)
Impairment on assets	53	(183,092,626.94)	(645,855,130.01)
Add: gain from fair-value changes	54	794,807.51	633,297.22
Investment income	55	4,488,275,228.88	4,180,667,499.04
Gain on foreign exchange		603,977.81	390.46
Operating profits		18,094,501,612.72	15,531,835,133.57
Add: Non-operating income	56	3,697,214,858.69	3,904,592,236.69
Less: Non-operating expenses	57	(153,085,100.80)	(89,964,938.76)
Profit before income taxes		21,638,631,370.61	19,346,462,431.50
Less: Income tax	58	(4,043,749,945.49)	(4,321,091,059.69)
Net profit		17,594,881,425.12	15,025,371,371.81
Net profit attributable to parent company		14,380,294,392.04	12,176,927,899.14
Profit/loss attributable to minority share-holders		3,214,587,033.08	2,848,443,472.67
Other comprehensive income		(137,139,723.59)	485,627,696.66
Total comprehensive income		17,457,741,701.53	15,510,999,068.47
Attributable to parent company		14,327,253,500.44	12,495,149,692.80
Attributable to minority share-holders		3,130,488,201.09	3,015,849,375.67

Board Chairman: Lu Chun

President: Wang Lin

Chief Accountant: Yang Ya

Head of accounting firm: Jin Caijiu

Parent income statement
For the year ended December 31, 2013

(All amounts in RMB YUAN unless otherwise stated)
[English Translation for Reference Only]

Items	Notes	2013	2012
Operating revenue	4	88,038,864.48	515,481,328.20
Less: Operating costs	4	(12,470,456.92)	(278,420,594.90)
Business taxes and surcharges		(6,595,436.40)	(8,249,068.71)
Selling expenses		(1,682,239.73)	(4,336,226.64)
Administrative expenses		(1,813,689,901.47)	(2,252,638,910.89)
Finance expenses		(3,622,915,062.82)	(664,694,205.25)
Impairment on assets		(50,637,384.49)	(170,721,913.17)
Add: gain from fair-value changes			
Investment income	5	13,281,428,259.57	7,482,652,969.97
Gain on foreign exchange			
Operating profits		7,861,476,642.22	4,619,073,378.61
Add: Non-operating income		20,049,259,249.22	2,458,784,051.90
Less: Non-operating expenses		(109,686,374.00)	(73,211,508.20)
Profit before income taxes		27,801,049,517.44	7,004,645,922.31
Less: Income tax		(5,509,335,786.66)	(777,190,773.15)
Net profit		22,291,713,730.78	6,227,455,149.16
Net profit attributable to parent company		22,291,713,730.78	6,227,455,149.16
Profit/loss attributable to minority share-holders			
Other comprehensive income		(85,746,076.54)	(72,384,763.64)
Total comprehensive income		22,205,967,654.24	6,155,070,385.52
Attributable to parent company		22,205,967,654.24	6,155,070,385.52
Attributable to minority share-holders			

Board Chairman: Lu Chun

President: Wang Lin

Chief Accountant: Yang Ya

Head of accounting firm: Jin Caijiu

Consolidated cash flow statement

For the year ended December 31, 2013

(All amounts in RMB YUAN unless otherwise stated)
[English Translation for Reference Only]

Items	Notes	2013	2012
Cash flows from operating activities:			
Cash received from sales and services		45,136,108,220.87	39,269,208,476.32
Net increase in deposits and placements from financial institutions		174,310,146.65	(15,667,562.81)
Net increase in placements from other financial institutions			
Cash received from interests, fees and commissions		459,231,012.58	473,747,442.09
Net increase in financial assets held under resale agreements			
Tax refunds		2,092,874,678.92	2,250,350,808.11
Other cash received from other operating activities		2,143,032,762.51	1,520,898,867.45
Sub-total of cash inflows from operating activities		50,005,556,821.53	43,498,538,031.16
Cash paid for goods and services		(10,731,807,944.81)	(9,035,391,660.08)
Net increase in loans and advances		260,000,000.00	1,035,297,431.51
Cash paid for interest, fees and commissions		(45,437,245.80)	(26,612,845.29)
Cash paid to and on behalf of employees		(2,595,563,883.14)	(2,069,391,190.52)
Payment of taxes and surcharges		(10,631,592,428.34)	(9,692,184,302.73)
Other cash payments relating to operating activities		(2,103,730,438.72)	(1,599,920,040.86)
Sub-total of cash outflows from operating activities		(25,848,131,940.81)	(21,388,202,607.97)
Net cash inflow from operating activities		24,157,424,880.72	22,110,335,423.19
Cash flows from investing activities:			
Cash receipts from withdraw of investments		31,947,431,191.73	42,229,813,415.84
Cash received from investment income		2,651,658,811.69	1,501,826,329.81
Net cash from disposal of fixed assets, intangible assets and other long-term assets		31,896,781.27	8,882,809.19
Net cash received from disposal of subsidiaries and other business units		6,073,260.00	
Other cash receipts relating to investing activities		108,646,376.81	1,161,790.69
Sub-total of cash inflows from investing activities		34,745,706,421.50	43,741,684,345.53
Cash paid for fixed assets, intangible assets and other long-term assets		(34,792,891,422.84)	(44,126,915,079.04)
Cash payments for investments		(27,568,597,072.88)	(65,038,128,818.51)
Net cash paid for acquiring subsidiaries and other business units		(145,768,467.66)	(119,469,734.10)
Net cash used in other investing activities		(20,637,969.59)	
Sub-total of cash outflows from investing activities		(62,527,894,932.97)	(109,284,513,631.65)
Net Cash outflows from investing activities		(27,782,188,511.47)	(65,542,829,286.12)
Cash flows from financing activities:			
Cash proceeds from investments by others		7,579,760,000.00	70,568,912.20
Including: cash received by subsidiaries from minority shareholders' investment		7,579,760,000.00	70,568,912.20
Cash received from borrowings		53,237,059,635.01	83,484,850,049.00
Cash receipts related to other financing activities			30,910,000.00
Sub-total of cash inflow from financing activities		60,816,819,635.01	83,586,328,961.20
Cash repayments for debts		(39,877,499,179.97)	(34,551,507,325.02)
Cash payments for distribution of dividends, profit and interest expenses		(9,289,787,979.15)	(7,281,594,122.74)
Including: dividends or profit paid by subsidiaries to minority shareholders		(1,644,146,224.05)	(1,161,421,701.50)
Other cash payments relating to financing activities		(438,670,674.71)	(897,053,612.97)
Sub-total of cash outflow from financing activities		(49,605,957,833.83)	(42,730,155,060.73)
Net cash flows from financing activities		11,210,861,801.18	40,856,173,900.47
Effect of foreign exchange rate changes on cash and cash equivalents		(95,235,426.37)	(263,194,171.35)
Net increase in cash and cash equivalents		7,490,862,744.06	(2,839,514,133.81)
Add: Opening balance of cash and cash equivalents		10,868,299,171.13	13,707,813,304.94
Closing balance of cash and cash equivalents		18,359,161,915.19	10,868,299,171.13

Parent cash flow statement

For the year ended December 31, 2013

(All amounts in RMB YUAN unless otherwise stated)
[English Translation for Reference Only]

Items	Notes	2013	2012
Cash flows from operating activities:			
Cash received from sales and services		1,524,238,081.49	31,608,775.33
Net increase in deposits and placements from financial institutions			
Net increase in placements from other financial institutions			
Cash received from interests, fees and commissions			
Net increase in financial assets held under resale agreements			
Tax refunds			3,620,223.46
Other cash received from other operating activities		1,312,557,271.53	11,225,538,990.81
Sub-total of cash inflows from operating activities		2,836,795,353.02	11,260,767,989.60
Cash paid for goods and services		(484,256,686.17)	(353,396,474.51)
Net increase in loans and advances			
Cash paid for interest, fees and commissions			
Cash paid to and on behalf of employees		(291,338,846.91)	(160,510,191.11)
Payment of taxes and surcharges		(1,555,400,960.39)	(1,750,959,410.47)
Other cash payments relating to operating activities		(722,045,841.78)	(5,411,512,830.22)
Sub-total of cash outflows from operating activities		(3,053,042,335.25)	(7,676,378,906.31)
Net cash inflow from operating activities		(216,246,982.23)	3,584,389,083.29
Cash flows from investing activities:			
Cash receipts from withdraw of investments		55,888,775,843.03	62,229,198,799.38
Cash received from investment income		12,930,144,045.98	7,369,278,480.66
Net cash from disposal of fixed assets, intangible assets and other long-term assets		18,592,704,147.97	2,730,178,981.44
Net cash received from disposal of subsidiaries and other business units			
Other cash receipts relating to investing activities			
Sub-total of cash inflows from investing activities		87,411,624,036.98	72,328,656,261.48
Cash paid for fixed assets, intangible assets and other long-term assets		(8,919,246,507.89)	(37,402,105,599.18)
Cash payments for investments		(77,044,475,574.68)	(76,512,806,093.59)
Net cash paid for acquiring subsidiaries and other business units			
Net cash used in other investing activities		(357,861,452.15)	(164,349,995.00)
Sub-total of cash outflows from investing activities		(86,321,583,534.72)	(114,079,261,687.77)
Net Cash outflows from investing activities		1,090,040,502.26	(41,750,605,426.29)
Cash flows from financing activities:			
Cash proceeds from investments by others			
Including: cash received by subsidiaries from minority shareholders' investment			
Cash received from borrowings		31,359,100,000.00	52,858,880,000.00
Cash receipts related to other financing activities			
Sub-total of cash inflow from financing activities		31,359,100,000.00	52,858,880,000.00
Cash repayments for debts		(23,560,179,200.00)	(11,634,147,200.00)
Cash payments for distribution of dividends, profit and interest expenses		(4,771,083,299.82)	(4,068,118,283.21)
Including: dividends or profit paid by subsidiaries to minority shareholders			
Other cash payments relating to financing activities		(326,673,140.27)	(292,187,476.32)
Sub-total of cash outflow from financing activities		(28,657,935,640.09)	(15,994,452,959.53)
Net cash flows from financing activities		2,701,164,359.91	36,864,427,040.47
Effect of foreign exchange rate changes on cash and cash equivalents			
Net increase in cash and cash equivalents		3,574,957,879.94	(1,301,789,302.53)
Add: Opening balance of cash and cash equivalents		6,270,057,146.81	7,571,846,449.34
Closing balance of cash and cash equivalents		9,845,015,026.75	6,270,057,146.81

Consolidated Statement of changes in equity

For the year ended December 31, 2013

(All amounts in RMB YUAN unless otherwise stated)
[English Translation for Reference Only]

Items	Owners' equity attributable to the Company						Minority interests	Total owners' equity
	Paid-in capital	Capital reserve	Special reserve	Surplus reserve	Retained earnings	Currency translation reserve		
Balance at January 1, 2013	149,536,711,395.60	7,140,301,650.87	792,412,116	44,163,919,242.29	2,336,671,724.83	307,786,122.44	21,515,408,027.88	225,001,590,576.07
Changes in the year of 2013	38,000,000,000.00	(3,18,731,547.88)	202,774.86	(35,773,389,147.83)	10,484,193,030.81	520,555,415.78	9,139,673,908.92	22,052,504,434.66
Net Profit				14,380,294,392.04			3,214,587,033.08	17,594,881,425.12
Other comprehensive income		(573,596,307.38)				520,555,415.78	(84,098,831.99)	(137,139,723.59)
Owner's contributions and withdrawing of capital		254,864,759.50		(2,560,520.91)	(23,044,688.15)		7,806,963,220.10	8,036,222,770.54
Inc.: Capital contributions							7,677,420,903.75	7,677,420,903.75
Others		254,864,759.50		(2,560,520.91)	(23,044,688.15)		129,542,316.35	358,801,866.79
Accrual and utilization of special reserve			202,774.86				491,263.23	694,038.09
Inc.: Accrual of special reserve			3,233,043.22				2,686,584.45	5,919,627.67
Utilization of special reserve			(3,030,268.36)				(2,195,321.22)	(5,225,589.58)
Profit distribution				2,229,171,373.08	(3,873,056,673.08)		(1,798,268,775.50)	(3,442,154,075.50)
Inc.: Appropriation of surplus reserve				2,229,171,373.08	(2,229,171,373.08)			
Profit distributed to equity owners				(1,643,885,300.00)			(1,798,268,775.50)	(3,442,154,075.50)
Transfer within owner's equity	38,000,000,000.00			(38,000,000,000.00)				
Inc.: Surplus reserve transferred to paid-in capital	38,000,000,000.00			(38,000,000,000.00)				
Balance at December 31, 2013	187,536,711,395.60	6,821,570,102.99	995,187.02	8,390,530,094.46	12,820,864,755.64	828,341,538.22	30,655,081,936.80	247,054,095,010.73

Board Chairman: Lu Chun

President: Wang Lin

Chief Accountant: Yang Ya

Head of accounting firm: Jin Caijiu

Consolidated Statement of changes in equity

For the year ended December 31, 2013

(All amounts in RMB YUAN unless otherwise stated)
[English Translation for Reference Only]

Items	Owners' equity attributable to the Company						Minority interests	Total owners' equity
	Paid-in capital	Capital reserve	Special reserve	Surplus reserve	Retained earnings	Currency translation reserve		
Balance at January 1, 2012	149,536,711,395.60	7,254,550,181.33		27,551,666,871.99	8,205,327,642.15	(33,431,396.10)	19,984,100,046.72	212,498,924,741.69
Changes in the year of 2012		(114,248,530.46)	792,412.16	16,612,252,370.30	(5,868,655,917.32)	341,217,518.54	1,531,307,981.16	12,502,665,834.38
Net Profit				12,176,927,899.14			2,848,443,472.67	15,025,371,371.81
Other comprehensive income		(22,995,724.88)				341,217,518.54	167,405,903.00	485,627,696.66
Owner's contributions and withdrawing of capital		(91,252,805.58)		(10,493,144.62)	(94,438,301.54)		(326,848,640.10)	(523,032,891.84)
Inc.: Capital contributions							64,035,872.26	64,035,872.26
Others		(91,252,805.58)		(10,493,144.62)	(94,438,301.54)		(390,884,512.36)	(587,068,764.10)
Accrual and utilization of special reserve			792,412.16				1,191,390.31	1,983,802.47
Inc.: Accrual of special reserve			2,136,182.83				2,330,539.22	4,466,722.05
Utilization of special reserve			(1,343,770.67)				(1,139,148.91)	(2,482,919.58)
Profit distribution				16,622,745,514.92	(17,951,145,514.92)		(1,158,884,144.72)	(2,487,284,144.72)
Inc.: Appropriation of surplus reserve				16,622,745,514.92	(16,622,745,514.92)			
Profit distributed to equity owners				(1,328,400,000.00)			(1,158,884,144.72)	(2,487,284,144.72)
Balance at December 31, 2012	149,536,711,395.60	71,403,301,650.87	792,412.16	44,163,919,242.29	2,336,671,724.83	307,786,122.44	21,515,408,027.88	225,001,590,576.07

Board Chairman: Lu Chun

President: Wang Lin

Chief Accountant: Yang Ya

Head of accounting firm: Jin Caijiu

Parent company's statement of changes in equity

For the year ended December 31, 2013

(All amounts in RMB YUAN unless otherwise stated)
[English Translation for Reference Only]

Items	Owners' equity attributable to the Company						Minority interests	Total owners' equity
	Paid-in capital	Capital reserve	Special reserve	Surplus reserve	Retained earnings	Currency translation reserve		
Balance at January 1, 2013	149,536,711,395.60	5,664,490,474.74		44,545,174,723.64	3,745,550,249.40		203,491,926,843.38	
Changes in the year of 2013	38,000,000,000.00	(75,692,238.14)		(35,770,828,626.92)	18,418,657,057.70		20,572,136,202.64	
Net Profit					22,291,713,730.78		22,291,713,730.78	
Other comprehensive income			(85,746,076.54)				(85,746,076.54)	
Owner's contributions and withdrawing of capital		10,053,848.40					10,053,848.40	
Inc.: Capital contributions								
Others		10,053,848.40					10,053,848.40	
Accrual and utilization of special reserve								
Inc.: Accrual of special reserve								
Utilization of special reserve								
Profit distribution				2,229,171,373.08	(3,873,056,673.08)		(1,643,885,300.00)	
Inc.: Appropriation of surplus reserve				2,229,171,373.08	(2,229,171,373.08)			
Profit distributed to equity owners					(1,643,885,300.00)		(1,643,885,300.00)	
Transfer within owner's equity	38,000,000,000.00			(38,000,000,000.00)				
Inc.: Surplus reserve transferred to paid-in capital	38,000,000,000.00			(38,000,000,000.00)				
Balance at December 31, 2013	187,536,711,395.60	5,588,798,246.60		8,774,346,096.72	22,164,207,307.10		224,064,063,046.02	

Board Chairman: Lu Chun

President: Wang Lin

Chief Accountant: Yang Ya

Head of accounting firm: Jin Caijju

Parent company's statement of changes in equity

For the year ended December 31, 2013

(All amounts in RMB YUAN unless otherwise stated)
[English Translation for Reference Only]

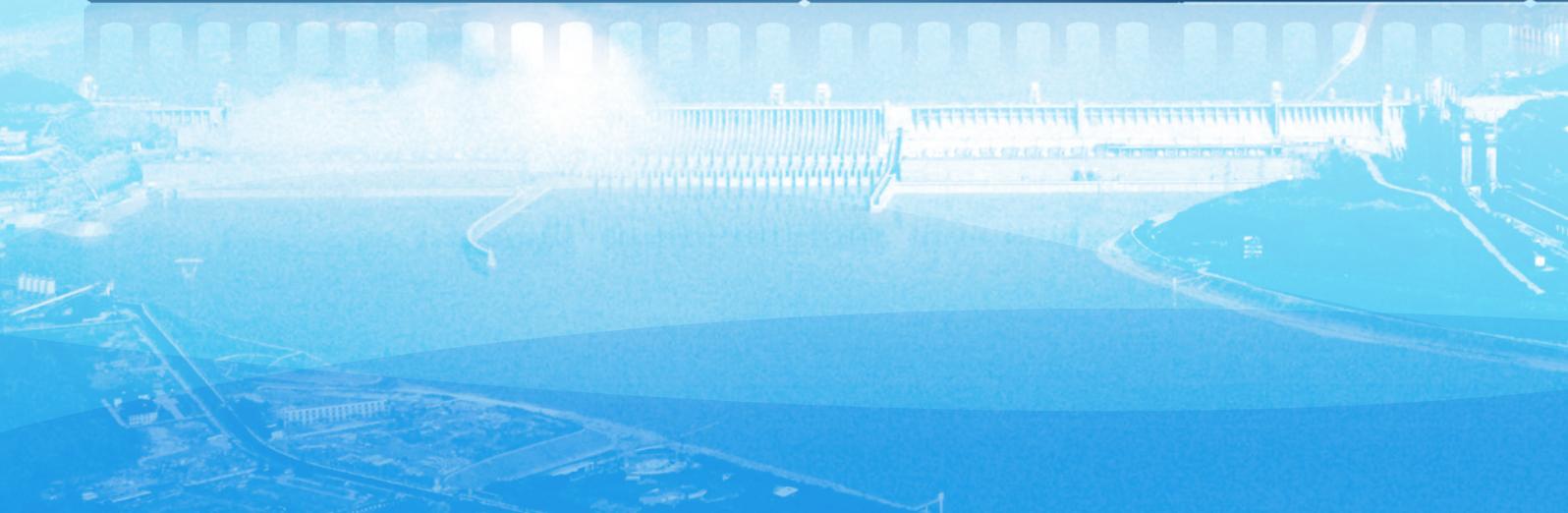
Items	Owners' equity attributable to the Company						Total owners' equity
	Paid-in capital	Capital reserve	Special reserve	Surplus reserve	Retained earnings	Currency translation reserve	
Balance at January 1, 2012	149,536,711,395.60	5,694,363,712.08		27,922,429,208.72	15,469,240,615.16		198,622,744,931.56
Changes in the year of 2012		(29,873,237.34)		16,622,745,514.92	(11,723,690,365.76)		4,869,181,911.82
Net Profit					6,227,455,149.16		6,227,455,149.16
Other comprehensive income		(72,384,763.64)					(72,384,763.64)
Owner's contributions and withdrawing of capital		42,511,526.30					42,511,526.30
Inc.: Capital contributions							
Others		42,511,526.30					42,511,526.30
Accrual and utilization of special reserve							
Inc.: Accrual of special reserve							
Utilization of special reserve							
Profit distribution				16,622,745,514.92	(17,951,145,514.92)		(1,328,400,000.00)
Inc.: Appropriation of surplus reserve				16,622,745,514.92	(16,622,745,514.92)		
Profit distributed to equity owners					(1,328,400,000.00)		(1,328,400,000.00)
Balance at December 31, 2012	149,536,711,395.60	5,664,490,474.74		44,545,174,723.64	3,745,550,249.40		203,491,926,843.38
Board Chairman: Lu Chun	President: Wang Lin	Chief Accountant: Yang Ya	Head of accounting firm: Jin Caijiu				

Corporate Culture

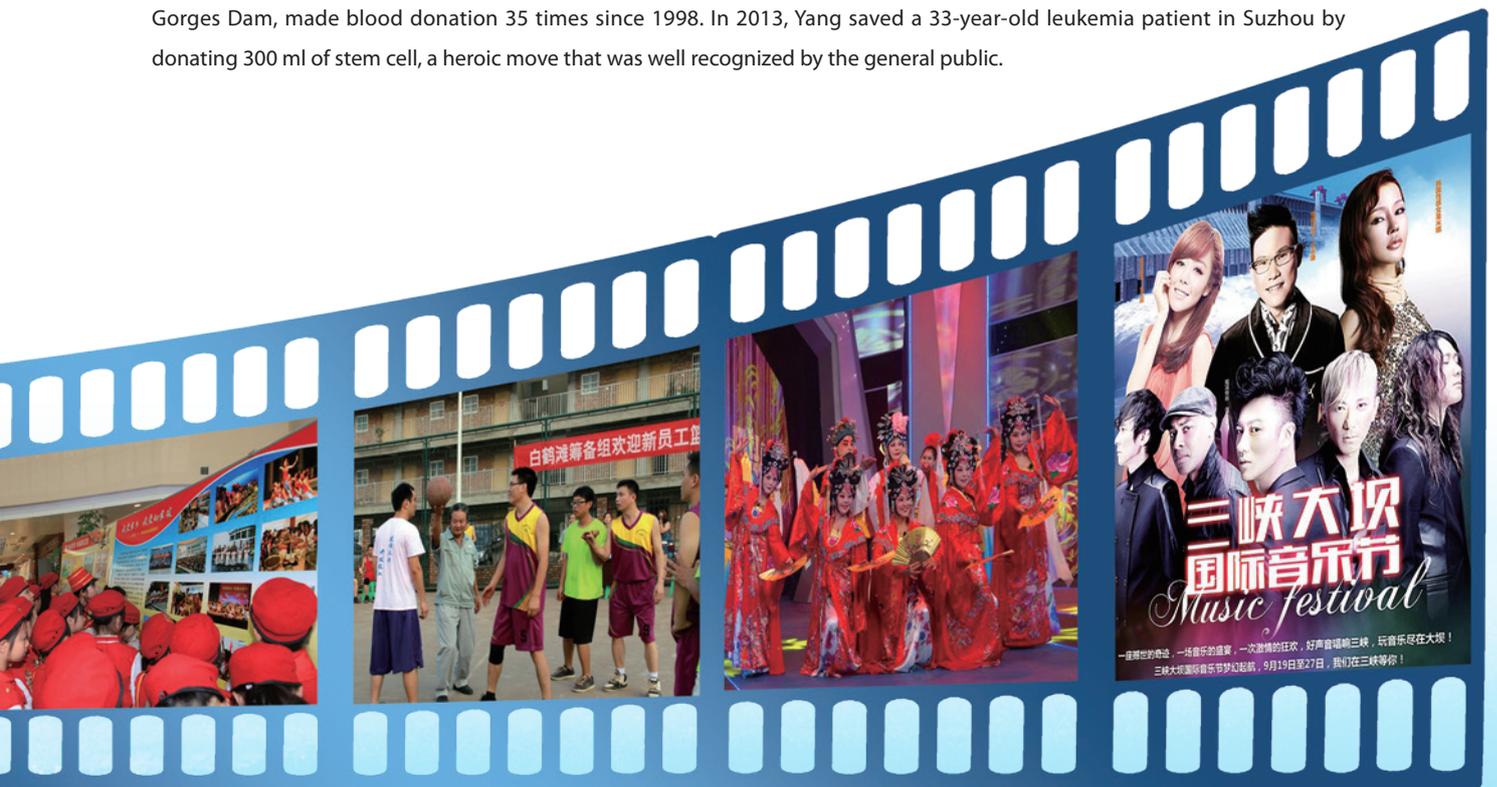
In 2013, CTG adopted its Corporate Culture Guidelines, reviewed its corporate culture, developed a general picture of the elements of its corporate culture and adopted employee code of conduct and corporate culture building plan. CTG held the first training seminar for corporate culture lecturers and leading party members, involving a total of 103 trainees. A series of measures were taken to communicate the elements of its corporate culture, including lectures, discussion meetings, solicitation of articles, quizzes and placing of banners and posters, in a bid to make CTG people more identified with the corporate culture.

In 2013, CTG revised its visual identity (VI) system, prepared and adopted the Visual Identity System Policy for standard-based application of VI system and creative integration of construction project environmental image system into its VI system. Four power stations along the downstream of Jinsha River readjusted all signs on the construction sites to highlight the CTG brand and improve the physical image of construction sites.

In 2013, CTG launched a companywide campaign to identify the model teams in terms of corporate culture and solidify the basis for corporate culture building. Each lowest-level organization and team engaged in characteristic culture building initiatives by crystallizing the management approach, internalizing management practices, finding new forms of management, identifying the role models and seeking first-rate performance. China Yangtze Power Co., Ltd and other CTG companies continued with the team-based culture building initiative, with fruitful results.



In 2013, CTG continued educating its employees in corporate culture by holding a variety of recreational and cultural activities. During the 8th annual leadership-recommended book reading initiative, senior executives of CTG recommended two books titled “The Future of Management” and “The 3rd Industrial Revolution”, which draw the attention of managers to managerial innovation and new energy development and created an intense learning atmosphere, resulting in over 300 book reviews recommended by CTG companies. Cultural and recreational activities that took place at CTG enriched the cultural life of CTG people. The Peking Opera Fan Association of CTG won the championship at the annual Peking opera contest at China Central Television. CTG's volunteer employees engaged in a variety of volunteer activities such as helping school students in need, giving financial assistance to needy people and provision of public services. Yang Jie, an employee working on Three Gorges Dam, made blood donation 35 times since 1998. In 2013, Yang saved a 33-year-old leukemia patient in Suzhou by donating 300 ml of stem cell, a heroic move that was well recognized by the general public.



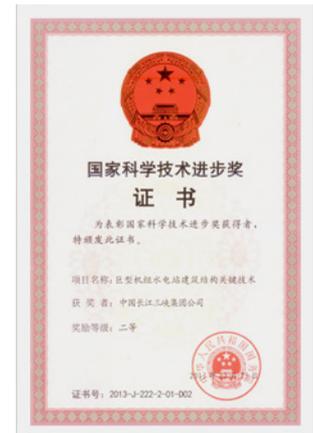
Technological Innovation

Technological Innovation Platform

In 2013, Nanjing Hohai Technology Co.,Ltd (also known as “the National Engineering Research Center of Water Resources Efficient Utilization and Engineering Safety”), a majority-owned subsidiary of CTG, reorganized Shanghai Investigation, Design & Research Institute and established China Institute of Hydropower and Environmental Research in collaboration with the Environmental Engineering Assessment Center of the Ministry of Environmental Protection, Beijing Normal University and China Renewable Energy Engineering Institute, thus effectively integrating the technological manpower and resources both inside and outside CTG and strengthening the in-house technical innovation platform of CTG.

Major Technological Innovations

In 2013, CTG intensified its IP protection efforts by filing 236 patent applications and received 207 patents, including 49 patents of invention. CTG won a national second prize for technological advancement with its key technology of architectural structure of giant hydropower units, and earned 12 provincial or ministerial-level prizes for technological achievements. CTG developed the hydropower project resettlement management information system in collaboration with Changjiang River Water Resources Committee, which enabled the examination of resettlement indicators, traceability of fund utilization for resettlement and assessment of the results of resettlement and established an IT-based resettlement collaborative management model covering the whole lifecycle of resettlement as well as the end-to-end process and data link for IT-based resettlement management. This system went live in 2011 and was successfully applied in the resettlement activities at Xiangjiaba Hydropower Station and Xiluodu Hydropower Station. As of the end of 2013, this system was used by 78 institutional users including State Auditing Administration, surveying and design institutes and resettlement authorities in Sichuan and Yunnan provinces as well as by 477 individual users, with a total of 420,000 visits.



Key State-Level Technology Development Projects

In 2013, CTG undertook 8 state-level technology development projects, including one National 863 Program project, three National 973 Program projects and four Science and Technology Support Program projects. In particular, the MgO content of low-contraction magnesia cement developed as a result of a project “Preparation of MgO Expanding Agent and Low-contraction Magnesia Cement and their Application in Large-sized Hydropower Projects” undertaken by CTG under the 12th five-year National Science and Technology Support Program went beyond the provisions in the current national standards that MgO content may not be more than 5.0% and has been successfully mass produced, producing cement samples that have MgO content of up to 8.16%. With this innovation, the spontaneous volume shrinkage deformation of cement reduced to 9.0×10^{-6} at the age of 90 days, with a certain low-shrinkage performance, while meeting other technical requirements. The Sediment Control and Multi-objective Scheduling Optimization at the Three Gorges Reservoir, a research project undertaken by CTG under the 12th five-year national science and technology support program, analyzed the effect of early impoundment on the reservoir sedimentation and flowing sand in varying backwater zone and proposed the feasibility of early impoundment under new flow and sediment situation. The research findings from the sediment-reducing scheduling scheme have been applied in the scheduling practice.

A commendation meeting for labor competition along Jinsha River in 2013



A scene of annual repair of sluices at northern section of Three Gorges



Renovation and capacity expansion at Xiangjiaba Hydropower Station



Fulfilling Social Responsibility

In 2013, CTG paid state capital gains of RMB 1.64 billion, taxes of RMB 11.19 billion, dues and fees of RMB 1.28 billion (including water resources fee, and contributions to reservoir fund and reservoir settlement fund) for the year 2012 and made charitable donations of RMB 124 million. In 2013, CTG spent over RMB 3.2 billion on R&D, environmental protection and occupational safety, accounting for 7.5% of its total business income.

Endeavoring to Build First-Rate Hydropower Stations

The Three Gorges, Xiluodu and Xiangjiaba hydropower stations financed, developed and built by CTG are key projects that concern the national interest and people's livelihood, projects that are characterized by huge capital investment, long construction period, large installed capacity and technical challenges. CTG gives overall consideration to the economic, social and environmental acceptability and bearing capacity, adopts high standard of planning and design practices, makes arrangements for construction and treats quality and safety aspects of the project with a strongest sense of responsibility, in an effort to build high-quality, safe, reliable and environment-friendly dams and ensure the project deliverables generate comprehensive benefits.

As the final works of the Three Gorges project and one of the largest and most technically challenging navigation building in the world, the ship lift is one of the navigational facilities at the Three Gorges Dam and a fast passageway through the dam designed for passenger ships and special-purpose ships. CTG treats the quality of the ship lift as its lifeline and makes every possible effort to ensure the engineering quality is not compromised in favor of project schedule or commercial benefits. After six years of construction, the ship lift has reached the stage of testing.



The first phase of impoundment began at Xiluodu Hydropower Station

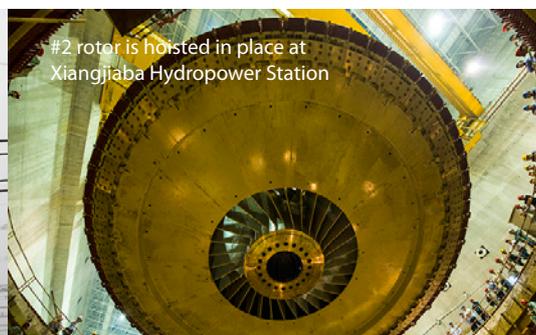
Xiluodu Dam site faces complicated geological conditions, demanding design and technical requirements, and great difficulties in construction and control, which are beyond the reach of conventional construction methods. In light of the project dynamics and using information technology, CTG built a digital information system, optimized its construction management practices and conducted end-to-end supervision, analysis and management of the dam construction activities in support of decision-making and management of construction activities and high-quality project deliverables. The digital dam system used at Xiluodu Dam allowed CTG to divide the responsibility among R&D, design, construction and supervision using a science-based and modern management system, thus ensuring the first-rate quality of project deliverables. Using this system, the onsite production data can be transmitted to each level of the organization in a timely, accurate, complete and true manner and allow real-time, online and end-to-end management and control of the quality of dam construction activities. Meanwhile, the use of IT allows standard-based, fine management of each part of the dam construction process and helps bring the management performance to the next level.

By combining construction process with management and ensuring seamless interfacing, CTG managed to ensure no nonscheduled shutdown occurred on any of 18 operating units at the power stations in Jinsha River watershed and to set new world records by putting into operation four 700,000 kW-level giant water turbine units in a single month with a combined installed capacity of over 3 GW. In particular, Xiluodu Hydropower Station set a world record by taking over 12 units within merely 6 months.

500 kV GIS station switchover commences at Gezhouba Dam



#2 rotor is hoisted in place at Xiangjiaba Hydropower Station



Employees working on the annual overhaul during holiday



Maintaining Natural and Ecological Balance

CTG has always been working towards its go-green objective by protecting ecological environment and reducing environmental pollution in the areas where it operates. In 2013, CTG was accredited to the triple-standard integrated management system in line with the international standards, improved its environmental management system and brought its environmental management efforts to the next level. In 2013, CTG spent about RMB 1 billion on environmental protection.

In 2013, CTG produced 132.96 TWh clean energy, or equivalent to standard coal savings of 42.68 million tons and CO₂, SO₂ and NO_x emission reductions of 109.56 million tons, 1.17 million tons and 328,600 tons respectively. In 2013, CTG conducted four optimized scheduling operations for small flood during the flood season, resulting in additional power output of 4.43 TWh and 5.60% increase in hydropower utilization at the Three Gorges Hydropower Station, 1.05 TWh and 6.80% at Gezhouba Hydropower Station and 5.48 TWh and 5.7% at Three Gorges-Gezhouba power station cascade.

In 2013, CTG prepared and submitted the soil retention plans for Wudongde Hydropower Station and Baihetan Hydropower Station to the Ministry of Water Resources for review and approval, which were approved on January 8, 2014. On April 26, 2013, the soil retention facilities at the impoundment stage of Xiluodu Hydropower Station were accepted by the Ministry of Water Resources, followed by the acceptance of environmental facilities by the Ministry of Environmental Protection two days later, thus ensuring the achievement of the impoundment target in May 2013.

In 2013, CTG made remarkable achievements in territorial and aquatic ecological protection. Many measures were undertaken, including conservation of genetic resources, conservation of botanic gardens, in situ and ex situ conservation, establishment of breeding grounds for rare and unique stations, with focus on conservation of such rare and unique stations as Chinese yew, Phoebe sheareri Gamble, sweetgum and Magnolia wufengensis. In situ or ex situ conservation was conducted for ancient and rare trees on the construction sites. As the all-artificial reproduction technology for Chinese sturgeon has grown mature, Chinese Sturgeon Research Institute successfully reproduced the first filial generation of Chinese sturgeon twice, producing about 300,000 eggs and breeding 190,000 Chinese sturgeons of second filial generation, a historic record



after it first reproduced over 20,000 Chinese sturgeon fries in 2009, thus paying the way for continuation and growth of Chinese sturgeon population. In 2013, CTG released over 800 young Chinese sturgeons and 2,000 young mullets along Yichang section of Yangtze River, released a total of 852,000 fries of rare and unique fish species such as Dabry's sturgeon, mullet, *Leptobotia elongate*, *Procypris rabaudi*, *Spinibarbus sinensis* and *Megalobrama pellegrini* into the state-level nature reserves for rare and unique fish species along the upstream of Yangtze River. In addition, CTG released a total of 12.89 million fries of commercial fish species in Daning River watershed around the natural and eco-friendly fishery in Three Gorges reservoir.

CTG works with related industries and departments both at home and abroad, learns about the successful experience in ecological and environmental protection in related fields and shares the good environmental practices and approaches. In 2013, CTG signed 2013-2018 MOU with The Nature Conservancy to continue their cooperation in environmental protection in Yangtze River watershed and expand the cooperation experience and mechanism to CTG projects abroad. CTG attended the 35th IAHR World Congress and held an ad-hoc workshop for the Three Gorges project to discuss water conservancy, hydropower and watershed optimized scheduling management. CTG successfully bid for the hosting of IHA 2015 World Congress. CWE, a CTG company, received the Green Responsibility Award for Green Chinese Company from the World Economic and Environmental Conference.

Promoting the Sustainability of Resettlement

CTG helps resettled people adapt to the local conditions, customs and culture by making full use of its resources and expertise in order to enable resettled people to benefit from hydropower generation business, taking into account the impact of resettlement on migrants' mental state, productive and life habits and local culture. In 2013, 54,135 residents moved out of the reservoir areas of Xiluodu Hydropower Station and Xiangjiaba Hydropower Station. In particular, the resettlement measures for Xiluodu Hydropower Station were implemented, and most of resettlement houses were built in place and occupied. Two counties of Pingshan and Suijiang and 11 market towns will be rebuilt according to the resettlement plan for Xiangjiaba Hydropower Station, and 5.3 million m² of resettlement housing and 1.04 million m² of public housing were substantially completed, which met the housing needs of migrants.



A resettlement housing estate at Shaoping for migrants from Xiangjiaba Reservoir Area

Bearing in mind the commitments to long-term cooperation, community involvement, overall consideration and mutual benefit, CTG developed emigrant development plan, implemented the local sourcing policy for both manpower and materials and equipment and drove the local economic development and personal development of emigrants in various manners and through various channels. In 2103, CTG involved resettlement officials and resettled moneymakers from Xiangjiaba Hydropower Station's reservoir area on a study tour in the Three Gorges reservoir

area and Jiangsu Economic Development Area. To improve the employability of migrants from reservoir areas, CTG spent over RMB 1 million helping over 200 migrants from Xiangjiaba Reservoir Area receive vocational training in 11 disciplines in Chengdu City, including electrical engineering and welding. Moreover, CTG works with the Three Gorges University, Three Gorges Tourism College, Yichang Art School and Zigui Art School to improve the employability of migrants. CTG helped establish many stationations as a source of income for migrants, including the peanut stationation located at Caiban Village, Guanying Town, Yibing County of Sichuan Province, a litchi orchard at Taiping Village of Lichang Town, a honeysuckle stationation at Shiping Village of Juexi Town and a plantation at Gaolin Village of Juexi Town.

CTG continued helping migrants in need. In 2013, CTG donated over RMB 12 million in Xiangjiaba Reservoir Area and helped nearly 2,000 students, seriously ill patients and poor households in need through Women Development Fund for Migrants from Reservoirs, small-value donation, peer-to-peer support and Seed Money. CTG built five women's homes in Xiluodu Reservoir Area, helped 873 affected middle school and college students as well as 44 seriously ill patients in need. Office equipment and facilities were donated to seven resettled township governments in Leibo Reservoir Area, maternal and child care service centers were retrofitted and reequipped, charitable donations made to residents in Jinsha watershed and drinking water supply project implemented at Dingdingma Village. A number of charitable initiatives were carried out, including helping woman migrants from reservoir areas generate more income, taking care of left-behind children, lonely elderly people and households enjoying five guarantees in reservoir areas, and poverty relief efforts of Communist Youth League branches.



Members of local young volunteer association serve as volunteer teachers in Wudongde Reservoir Area

Building Harmonious Labor Relations

CTG respects employees and labor and commits itself to providing employees with equal opportunity of employment and effective safeguards, with a view to ensuring CTG people work in a free, fair, safe and decent working environment, providing employees with ample career opportunities and enabling CTG people to grow side by side with the organization. In 2013, CTG involved its employees in employee training measured by 192,553 person/times in cumulative terms and spent RMB 35.02 million on employee



Youth solidarity held at Xiangjiaba Hydropower Station

training.

CTG provides its employees with ample career opportunities and enables them to achieve self-realization in terms of both personal growth and professional development. The apprenticeship system was adopted to impart professional skills and safety knowledge and help young employees grow both personally and professionally. Skill contests were held to give young employees an arena to measure themselves and put knowledge into practice. Offsite training programs were carried out for outstanding young employees, youth forums were held and experts and executives invited to give lectures to young employees. Young employees are encouraged to exchange

ideas and thoughts with peers from different CTG companies. After intensive training efforts directed towards outstanding young employees, the new generation of employees have become the backbone of the organization.

CTG has been improving its policy concerning migrant technicians, taking good care of migrant technicians both financially and mentally and helping them become more professionally competent and capable through technical training, skills contest, safety education and training and emergency response drill. Since 2006, annual skills contests were staged in the spirit of respecting labor, knowledge, talent and creation. The skills contest covers all CTG companies at all levels, including project divisions, production teams and operating crews and are held to create an enabling environment in which migrant technicians can measure themselves and seek professional development.

Giving back to the Society

As a central SOE, CTG is expected to contribute to the local community development while seeking business growth by setting a good example of corporate citizenship. CTG has refined its charity program to address social issues from a strategic and systematic perspective by leveraging its strength in poverty relief, financial assistance and charitable donation. Meanwhile, CTG encourages employee volunteerism to support and participate in community development and deliver on its long-term commitments to the wider society with practical actions. In 2013, CTG won the Most Charitable Company Award at the 8th China Charity Awards.



CTG's CYL committee donates disaster relief supplies to Sichuan Province

In response to the central government's call, CTG has been endeavoring to help local communities grow economically while contributing to the economic development in Tibet, Xinjiang and Qinghai. In 2013, a water works rehabilitation project was completed at Luoma Town, Naqu County, Tibetan Autonomous Region under the auspices of CTG, thus addressing the water shortage and ensuring safety of drinking water for over 2000 local residents. CTG helped build a pilot village at Yadong, Motuo County of Tibet to enable local people get out of poverty. A 40 MW photovoltaic power station was built and put into operation by CTG in Pishan County of Hetian Prefecture of Xinjiang, generating power output of 52.74 MWh each year and over RMB 1.5 million tax revenue in the first year of

operation and addressing the power undersupply in the local areas and helping the local power structure improve. An independent power supply project undertaken by CTG in Haixi Inner Mongolian and Tibetan Autonomous Prefecture of Qinghai Province electrified over 7,000 households.

On April 20, 2013, in the wake of a catastrophic earthquake hitting Lushan of Ya'an in Sichuan Province, CTG lost no time to get involved in the relief effort and equip the rescue team with necessary supplies including 3,000 flashlights, 6,000 batteries and 6,000 battery adapters. In addition, CTG promptly donated RMB 20 million to Sichuan Provincial Government in support of disaster relief and post-disaster reconstruction efforts and called upon its employees to join the relief efforts as volunteers.

In 2013, CTG established an in-house young volunteer association as part of its effort to drive employee volunteerism. Under the leadership of the newly-established association, several chapters were set up in the Three Gorges, Jinsha River watershed and Beijing, in addition to 31 volunteer teams (Guomingyi Volunteer Team), 163 volunteer service offices and 2,489 registered volunteers. In 2013, 12,400 employees participated in volunteer services for a total duration of over 80,000 hours, both in cumulative terms.

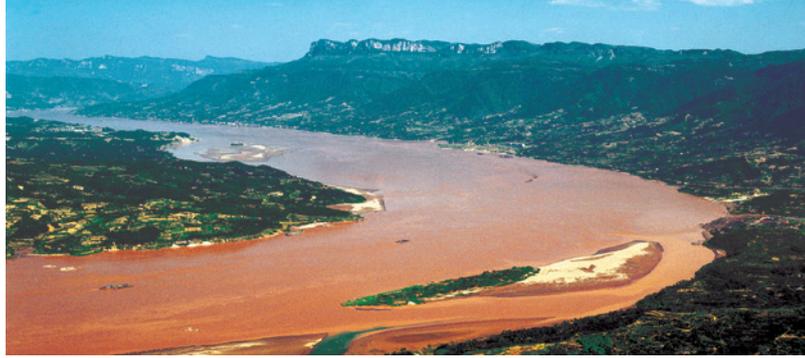


A children's awareness-raising event at Kneil Flood Control Project site, Ecuador, under the theme "Little Water Guardians"

A Good Global Corporate Citizen

As of 2013, CTG operated in 37 countries and regions, with 84 international contracting and investment projects underway. With a global vision and by leveraging its managerial, technical, financial, branding and intellectual strength, CTG shared its successful experience in construction, operation and management of hydropower stations, got involved in global economic development deeper and wider and contributed to the sustainability of global clean energy business.

At overseas project sites, CTG works to help local residents improve quality of life through local sourcing efforts and coordination among local community, environment and project implementation. For example, the project personnel at Saint Marty Hydropower Station in Nepal intensified safety management, education and training efforts for the construction personnel. Of 115 projects implemented in 2013, all were rated as conforming to the minimum requirements and 91.7% of them rated as outstanding. All of the project owners expressed their satisfaction with CTG's performance during a customer satisfaction survey. At the height of the first phase of a wind farm project in Pakistan, over 500 local people were hired. CTG donated 40,000 Sudanese pounds to the Sudanese government in response to the most catastrophic flood ever seen in the past 25 years.



In 1918

Mr. Sun Yat-sen made a proposal in his Nation-Building Strategy II -Industrialization Plan to “improve this upstream section of Yangtze River”, suggesting “water gates be built to block the river and enable ships to sail upstream and utilize hydraulic power” .

May 1944

World-famous US expert on high dam Dr. J.L Savage surveyed the Three Gorges and presented the Preliminary Report on the Plan of the Three Gorges on the Yangtze River.

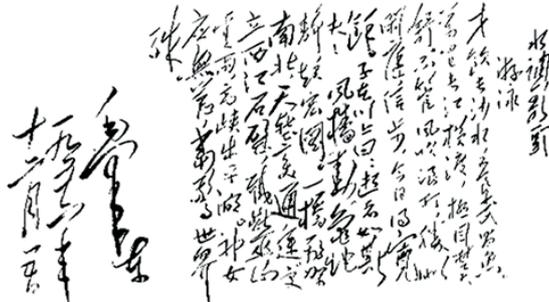


February 1950

Yangtze River Water Resources Commission was founded.

1955

Comprehensive planning for the Yangtze River watershed and survey, research and design for the Three Gorges Project started.



In 1956, Mao Zedong, Chairman of the CPC Central Committee, swam in the Yangtze River nearby Wuhan and wrote Ode to the River-Swimming, envisaging an ambitious blueprint for the Three Gorges project.

December 26, 1970

The plan for construction of the Gezhouba Hydro Plant on the Yangtze River was approved. The plant started producing electricity in 1981 and was completed in 1989.

February 27-March 7, 1989

The 10th Conference of the Three Gorges Project Feasibility Study Leadership Group of Ministry of Water Resources and Electric Power discussed and adopted the Feasibility Study Report on the Three Gorges Hydropower Project on the Yangtze River.

April 3, 1992

The 5th Session of the 7th National People's Congress adopted the Resolution to Build the Three Gorges Hydropower Complex, marking the end of permitting process and the commencement of the implementation phase.

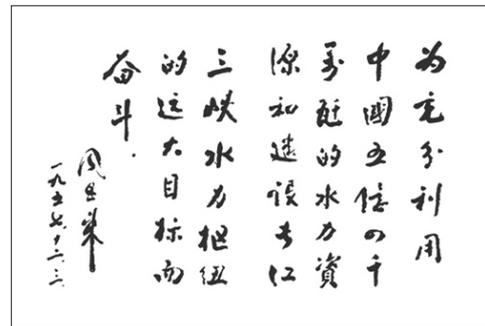
Support from several generations of Chinese leaders



On March 30, 1958, Chairman Mao Zedong inspected the Three Gorges by boat.



In March 1958, Premier Zhou Enlai embarked on Zhongbao Islet, Sandouping and reviewed the dam site options of Three Gorges Project together with the accompanying experts.



On December 3, 1957, Premier Zhou Enlai wrote the inscriptions for the National Power Conference: "Let us strive to make full use of the 540 GW of water resources in China and construct the Yangtze River Three Gorges Hydropower Complex."



In May 1960, Chairman Liu Shaoqi visited Sandouping to examine the geological structure of the dam site of the Three Gorges Project.

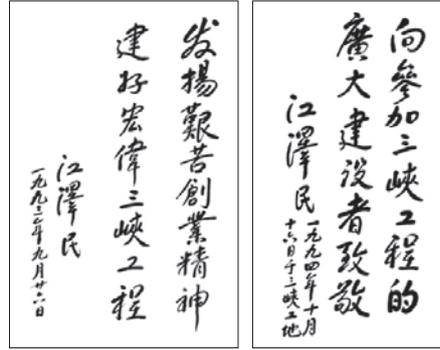


In July 1980, Deng Xiaoping, Vice-Chairman of the CPC Central Committee and Vice Premier of the State Council, went by ship towards the east from Chongqing to examine the dam site of the Three Gorges and Gezhouba as well as Jingjiang Levee and received a briefing on the project progress.

On November 24, 1982, Vice Premier of the State Council Deng Xiaoping heard out a report by the State Development Planning Commission. When he heard that "it is necessary to build the Three Gorges Dam to support the industrial and agricultural development in the next two decades", he said, "I agree with the low dam plan. Do it if you think it is a right choice."



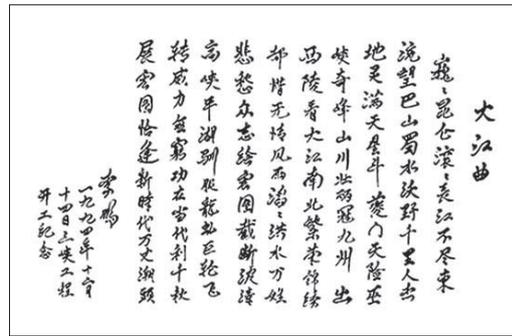
In October 1994, Jiang Zemin, Secretary General of the CPC Central Committee, inspected the Three Gorges Dam.



Jiang Zemin made an epigraph for the Three Gorges Project



On December 14, 1994, Premier Li Peng delivered a speech at the commencement ceremony of the Three Gorges Project.



In December 1994, on the way to the TGP dam site for the commencement ceremony by ship, Premier Li Peng wrote the "Ode to Yangtze River" in celebration of the Three Gorges Project.



In 1992, Qiao Shi, member of the Standing Committee of the Political Bureau of CCCPC and Chairman of the Standing Committee of the NPC, inspected the dam site of Three Gorges Project.



In September 1991, Li Ruihuan, member of the Standing Committee of the Political Bureau of the CCCPC and Chairman of the Chinese People's Political Consultative Conference, inspected the dam site of the Three Gorges Project.



On October 30, 1997, Hu Jintao, member of the Standing Committee of the Political Bureau of the CPC Central Committee and Secretary of the Secretariat of the CPC Central Committee, inspected the TGP site.



On November 8, 1997, Central Government leaders such as Jiang Zemin, Li Peng, Zeng Qinghong and Luo Gan were present at the River Closure Ceremony of the Three Gorges Project.



On December 28, 1998, Premier Zhu Rongji, who was also a member of the Standing Committee of the Political Bureau of the CCCPC and Chairman of the State Council Three Gorges Construction Committee, inspected the reservoir area and the dam site of the Three Gorges Project.



In October 2003, Premier Wen Jiabao, member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China and Chairman of the State Council Three Gorges Construction Committee, inspected the reservoir area and the construction site of the Three Gorges Project.



In April 2004, Wu Bangguo, member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China and Chairman of the National People's Congress, inspected the Three Gorges Project site.



On July 9, 2009, Li Keqiang, member of the Standing Committee of the Political Bureau of the CPC Central Committee, Vice Premier of State Council, and Chairman of the State Council Three Gorges Construction Committee, presided over an engineering conference on the site of Three Gorges Dam, and inspected the hydropower complex and reservoir area.



On October 30, 2010, Li Changchun, member of the Standing Committee of the Political Bureau of the CPC Central Committee, inspected the Three Gorges Project site.



On August 2, 2012, Premier Wen Jiabao inspected the Three Gorges Project site to learn about the flood control performance and operation of the dam.

Three Gorges Chronology

Phase I (1993-1997)	
July 29, 1993	The 2nd Conference of the Three Gorges Project Commission of the State Council was held to review and approve the Preliminary Design Report on the Three Gorges Project, ushering in the phase of project preparation.
September 27, 1993	China Three Gorges Development Corporation was established.
December 14, 1994	Official commencement of the Three Gorges Project.
November 8, 1997	River closure was successfully completed for the Three Gorges Project, completing the Phase One of the project.
Phase II (1997-2003)	
2000	A total of 5.4817 million m ³ of concrete was poured, setting a new world record in the global hydropower industry.
June 1, 2003	The TGP Reservoir started impounding. The water level reached an elevation of 135m on June 10.
June 16, 2003	Trial navigation of the dual-line five-stage ship lock was successfully completed. On June 18, the ship locks were formally opened to traffic.
July 10, 2003	The first generating unit in the left-bank powerhouse of TGP was officially integrated into the power grid.
Phase III (2004-2009)	
September 2005	14 generating units in the left-bank powerhouse became fully operational one year ahead of schedule.
May 2006	The TGP Dam was completely topped out.
October 2006	The TGP Reservoir's water level reached 156m one year ahead of schedule.
May 2007	The dual-line five-stage ship lock was completed, significantly boosting the navigational efficiency and benefits of the prime waterway of the Yangtze River.
June 2007	The first generating unit in the right-bank powerhouse of TGP became operational. The powerhouse set a world record by putting an installed capacity of 5,000,000 KW into operation the same year.
October 2008	12 generating units in the left-bank powerhouse became fully operational one year ahead of schedule.
September 27, 2009	The normal impoundment level of 175 meters at Three Gorges Complex passed the acceptance check, marking the completion of preliminary design of the Three Gorges Project except for the construction of ship lift that was approved to be postponed.
Oct 26, 2010	A trial water impoundment reached a 175m, beginning to generate benefits in terms of flood control, drought-relief, power-generation, shipping and water replenishment.
Nov. 26, 2010	The contract on procurement of ship-lifting equipment of the Three Gorges was signed.
Dec. 31, 2010	The contract on ship-lifting equipment of the Three Gorges was signed.
May 24, 2011	Annual power generation by the Three Gorges - Gezhouba cascade complex hit 100.61 billion kwh.
Sep. 21, 2011	The first group of power generating units in the Three Gorges underground power station became operational and passed the acceptance check.
August 29, 2012	The last unit No. 27 to be put into operation at Three Gorges Underground Power Station passed the acceptance check, meaning all power generating units in the underground station became operational.

Major Subsidiaries

China Yangtze Power Co., Ltd.

China Yangtze Power Co., Ltd. (CYPC) is a joint-stock limited-liability company incorporated on September 29, 2002 by China Three Gorges Corporation with the approval of the State Council upon the request from the former State Economic and Trade Commission.

On October 28, 2003, CYPC launched an IPO of RMB-denominated 2,326,000,000 common shares with total share capital of 7,856,000,000 shares. On August 15, 2005, CYPC conducted an equity division reform to change its total share capital to 8,186,737,600 shares. In May 2007, Yangtze Power CWB1 warrants were successfully exercised, increasing its total share capital to 9,412,085,457 shares. On September 28, 2009, CYPC completed a substantial asset restructuring, increasing its total share capital to 11 billion shares. On July 19, 2010, CYPC implemented a scheme of transferring capital reserves into capital share, thus increasing its total share capital to 16.5 billion shares.

CYPC is China's largest listed hydropower company specializing in hydropower generation and committed to becoming the global leader in hydropower industry. CYPC owned all of the power generating units at Gezhouba Hydropower Station and the Three Gorges Hydropower Station and has been commissioned to operate and manage Xiluodu and Xiangjiaba hydropower stations, two of the world's ten largest hydropower stations. As of December 31, 2013, CTG had a total installed capacity of 25.27 GW, in addition to a combined installed capacity of 14.04 GW at Xiluodu and Xiangjiaba hydropower stations. In addition, CYPC owned installed capacity of 2.80 GW through investment in power producers (excluding power stations under construction).

Three Gorges Jinsha River Chuanyun Hydropower Development Co., Ltd.

Three Gorges Jinsha River Chuanyun Hydropower Development Co., Ltd (the "company") is a limited liability company established jointly by CTG, Sichuan Energy Investment Group Co., Ltd and Yunnan Energy Investment Group Co., Ltd, each holding 70%, 15% and 15% of the total equities respectively.

The company was incorporated in Chengdu of Sichuan Province on January 29, 2013, with total registered capital of RMB 20 billion as of December 31, 2013, and deals with hydropower station development, construction, investment, operation and management, specialized technical services and clean energy development and investment. The company is responsible for development, construction, operation and management of Xiluodu and Xiangjiaba hydropower stations downstream of Jinsha River. As of December 31, 2013, a total of RMB 142.10 billion was invested in these two hydropower stations and a total of 18 generating units were put into operation at these two power stations, generating 31.13 TWh in total to the date. As of December 31, 2013, the company generated business income of RMB 8.27 billion, total profits of RMB 2.36 billion and net profits of RMB 2.35 billion, with total assets of RMB 156.51 billion, total liabilities of RMB 135.16 billion and total ownership interest of RMB 21.35 billion.

According to the applicable provisions of the Company Law of the People's Republic of China and the modern enterprise system as well as the provisions of the tripartite framework agreement, CTG established and implements policies on shareholders' meeting, board of directors and board of supervisors. To leverage the strengths of CTG in engineering construction and the strengths of China Yangtze Power Co., Ltd in power station operation and management, the company entrusted its engineering construction, consulting and resettlement management activities to the care of CTG and its power generation and operations to the care of China Yangtze Power Co., Ltd in light of the existing resources and strengths of its shareholders and according to the marketization principle so that the company can focus on investment and assets management.

Three Gorges Jinsha River Yunchuan Hydropower Development Co., Ltd.

Three Gorges Jinsha River Yunchuan Hydropower Development Co., Ltd (the “company”) is a limited liability company established jointly by CTG, Sichuan Energy Investment Group Co., Ltd and Yunnan Energy Investment Group Co., Ltd, each holding 70%, 15% and 15% of the total equities respectively.

The company was incorporated in Kunming City of Yunnan Province on January 29, 2013, with total registered capital of RMB 5 billion as of December 31, 2013, and deals with hydropower station development, construction, investment, operation and management, specialized technical services and clean energy development and investment. The company is responsible for development, construction, operation and management of Wudongde and Baihetan hydropower stations downstream of Jinsha River. As of December 31, 2013, a total of RMB 23.27 billion was invested in these two hydropower stations. The company had total assets of RMB 23.74 billion, total liabilities of RMB 18.74 billion and total ownership interest of RMB 5 billion.

According to the applicable provisions of the Company Law of the People's Republic of China and the modern enterprise system as well as the provisions of the tripartite framework agreement, CTG established and implements policies on shareholders' meeting, board of directors and board of supervisors. To leverage the strengths of CTG in engineering construction and the strengths of China Yangtze Power Co., Ltd in power station operation and management, the company entrusted its engineering construction, consulting and resettlement management activities to the care of CTG and its power generation and operations to the care of China Yangtze Power Co., Ltd in light of the existing resources and strengths of its shareholders and according to the marketization principle so that the company can focus on investment and assets management.

China Three Gorges New Energy Co., Ltd.

China Three Gorges New Energy Co., Ltd. (“TGNE”) is a wholly-owned subsidiary of CTG, formerly known as China Water Investment Group Corporation. With the approval of the State Council in October 2008, China Water Investment Group Corporation was merged into CTG and renamed TGNE in June 2010. In April 2011, Yangtze New Energy Development Co., Ltd was merged into TGNE with the approval of CTG.

As the operating arm of CTG in new energy business, TGNE focuses on investment, development and operation in such clean and renewable energy sectors as wind and solar energy, adopts a differentiation strategy and cost-leadership strategy focused on profitability, works on developing a value chain of wind energy focused on development of wind farms, explores a business portfolio comprising wind and photovoltaic energy, hydropower and pumped storage, keeps track of the advancements in solar energy technology and market dynamics, optimizes and scales up photovoltaic power stations and develops small and medium-sized hydropower stations, with a view to establishing CTC's presence in new energy sector and becoming a first-rate new energy company. By the end of 2013, the company's new energy business covered 30 provinces and comprised over 121 member companies, with a combined installed capacity of over 4.2 GW in wind, solar and hydropower stations either in operation or under construction as well as total assets of nearly RMB 27 billion.

CWE Investment Corporation

CWE Investment Corporation, a wholly-owned subsidiary of CTG, was established on August 30, 2011 with a registered capital of RMB 12 billion. Formerly known as CTG International Investment Co., Ltd, the company got its present name on July 5, 2012. As of the end of December 2013, the company had total assets of RMB 27.98 billion and net assets of RMB 14.32 billion. The company is co-located with CTG's international business unit and oversees the international operations of CTG.

CWE Investment Corporation was established to implement the go-global strategy of CTG and works towards building a world-class clean energy business, dealing with investment, construction, operation and management of overseas investment projects. As of the end of 2013, the company generated economic value added of RMB 660 million and total profits of RMB 1.19 billion as it continued implementing CTG's go-global strategy.

The company runs 19 subsidiaries abroad and owns three tier-2 subsidiaries, i.e., China Gangyuan Investment Co., Ltd, CWE (Hong Kong) Co., Ltd and Three Gorges Development (Malaysia) Co., Ltd, the former two of which are used as the overseas investment platform to establish CWE (Europe) Co., Ltd, China Three Gorges (South Asia) Investment Co., Ltd and CWE (Brazil) Co., Ltd and to participate in Sunshine Yangtze Investment Co., Ltd. Through the investment made by CWE (Europe) Co., Ltd, CTG became the largest shareholder of EDP by holding 21.35% stake in the Portuguese power producer.

The current business of CWE Investment Corporation covers investment in and development of overseas hydropower stations, wind farms and solar power projects in South Asia, Southeast Asia, Europe, Americas and Africa. As of the end of 2013, CWE Investment Corporation had 25 overseas clean energy projects either under construction or at the phase of planning, secured over 10 GW of installed capacity and additional 15 GW installation capacity pending, which laid a solid foundation for the long-term growth of CTG.

Backed by CTG, CWE Investment Corporation possesses a large wealth of experience and technical and managerial expertise in planning, design, construction and operation of large-scale hydropower stations and wind farms, as well as strong capabilities in integrated operation of large-scale hydropower complexes and cascaded hydropower stations. In addition, the company enjoys abundant human resources, solid financial strength and strong international financing capabilities in the field of investment in overseas clean energy sector.

China International Water & Electric Corp.

China International Water & Electric Corp. ("CWE"), a wholly-owned subsidiary of CTG and one of the first SOEs in China's hydropower industry to engage in international economic cooperation, got its present name in 1983, whose predecessor was International Engineering Co., Ltd under the former Ministry of Water Resources and Power established about five decades ago. Over the past six decades of business growth, CWE has been forging ahead and playing an important role in China's foreign aid and cross-border trade.

Nowadays, CWE is continuously growing from a company focused on foreign financial aid programs, import and export of packaged equipment, international project contracting and provision of labor services to a company dealing with hydropower development, infrastructure construction including power transmission and distribution, road and bridge construction and port dredging as well as overseas investment business. CWE has gone deeper and wider in terms of overseas market development.

CWE is growing larger and has set historic record for nine years in a row in terms of KPIs. In 2013, CWE secured over 1.8 billion dollar-worth international construction contracts and generated business income of nearly RMB 8 billion.

CWE operates in 70 countries and regions in Asia, Africa, Europe and Americas and maintains representative offices in 37 countries and regions. In 2013, CWE had over 20,000 employees on payroll, 75% of whom are foreign employees.

In the future, CWE will make greater efforts to tap the market, seek significant investment opportunities and steadily advance its investment projects for further business restructuring, with a view to growing into an international clean energy developer and investor that deals with investment, construction, management and operation with core competitiveness by leveraging the brand and technical expertise of CTG. CWE will help advanced Chinese hydropower technology and standards go global, fulfill its social responsibility, drive the economic development in areas where it operates, and work with its partners to build a harmonious world in the spirit of mutual benefit.

Three Gorges Finance Co., Ltd.

Three Gorges Finance Co., Ltd. ("TGFC"), incorporated in November 1997 with the approval of the People's Bank of China, is a non-bank financial institution established to finance the business operations of CTG and its member companies with a registered capital of RMB 2.4 billion. Headquartered in Beijing, the company set up a branch in Yichang of Hubei Province in 2011.

The company has a full range of business license specified in the Regulation on Finance Company of Business Groups except for insurance agency and consumer credit business, dealing mainly with deposits, loans, payment and securities investment, asset management and financial consultancy. In 1998, TGFC obtained an exclusive trading seat on Shanghai Stock Exchange and Shenzhen Stock Exchange; a year later, it became one of the first finance companies in the country to join the national inter-bank lending market and bond market; in 2005, it obtained the license to answer inquiries about IPO, followed by a license for trading of blocks of shares in 2008. At the end of 2011, the company acquired the license to deal with foreign exchange. One year later, it established Three Gorges Insurance Brokering Co., Ltd.

Bearing in mind its mission to serve CTG with best financial practice and innovation, TGFC is charged with providing centralized fund management, financing, financial consulting, financial industry development and research, financial strategy implementation and financial talent development and gradually established distinctive lines of business such as third-party bond issue, electronic clearing service and syndicated loan, playing an important role in helping CTG increase fund utilization efficiency, facilitating in-house financing and reducing the overall debt level and financing costs of CTG.

Yangtze Three Gorges Technology and Economy Development Co., Ltd.

Yangtze Three Gorges Technology and Economy Development Co., Ltd. ("TGDC"), a wholly-owned subsidiary of CTG, is a legal entity assuming sole responsibility for its operation, profits or losses and civil liability. Headquartered in Beijing, TGDC was registered with the State Administration of Industry and Commerce on October 30, 1998 after merger and reorganization of Three Gorges Hydropower Technology Center, Liyuan Company and Yichang Three Gorges Engineering Duoneng Company.

TGDC is one of the first companies in China to provide supervision services for hydropower projects, specializing in provision of supervision services and international and domestic engineering consulting services, project management and general contracting. TGDC operates with Class A engineering consultancy license from the National Development and Reform Commission, Class A construction supervision license for hydropower projects, Class A construction supervision license for road pavement projects, Class A construction supervision license for housing project and Class B port navigation channel construction license from the Ministry of Housing and Urban-Rural Development, and Class A manufacture supervision license for electromechanical and metallic equipment and supervision license for environmental protection of hydraulic projects from the Ministry of Water Resources, Class A engineering survey license from the State Bureau of Surveying and Mapping and the laboratory accreditation and metrology certification and test accreditation certificate from the Certification and Accreditation Administration of PRC and CNAS. The company has established quality management system, occupational health and safety management system and environmental management system according to ISO9000, ISO14001 and OHS18001 respectively.

Over the past 20 years, TGDC has provided construction supervision and engineering consultancy for various high-profile projects and made an outstanding track record in the fields of supervision and project management of hydraulic and hydropower projects, including Shisanling Pumped Storage Power Station, Three Gorges Hydropower Complex, Xiluodu Hydropower Station, Xiangjiaba Hydropower Station, Baihetan Hydropower Station, Wudongde Hydropower Station and Sichuan Huaneng Cascade Hydropower Station Projects including Baoxinghe and Huoxihe Power Station, Xiangshui Wind Farm of Jiangsu Province and Huade Wind Farm in Inner Mongolia, Jin'anqiao Hydropower Station, Manwan, Jinghong and Xiaowan Hydropower Stations along the Lancang River, Ruili River Hydropower Station in Burma, as well as the National Aquatics Center for the 2008 Beijing Olympic Games and Hainan National Defense Project, Tianhuangping Pumped Storage Power Station Phase II at the planning stage, and project management of “Five Roads and Three Bridges” along Jinsha River. Following CTG's go-global strategy, the company undertook Murum Hydropower Station project on EPC basis and the supervision of Saint Marty hydropower station in Nepal. Meanwhile, the company enjoys strong technical expertise in the field of civil engineering and earned recognition for its achievements in a public rental housing project in Haidian District of Beijing. TGDC also made remarkable achievements in the fields of hydropower projects, civil engineering project supervision and project management, and accumulated a large wealth of experience in supervision of manufacture and installation of large-scale water turbine generating units, supervision of roller-compacted concrete placement and dam concrete placement and construction supervision of large-sized underground caves.

Yangtze Three Gorges Tourism Development Co., Ltd.

Yangtze Three Gorges Tourism Development Co., Ltd. (CTGTD) is a wholly-owned subsidiary of CTG established and registered with Yichang Municipal Administration of Industry and Commerce on March 20, 2003 with registered capital of RMB 164 million. CTGTD has 1,500 employees and operates through eight functional departments, i.e., general office, Party-mass relations department, HR, assets and finance department, marketing department, operation and management department, project division and quality and safety department, two business units of scenic zone management center and troupe, three subsidiaries of Three Gorges Hotel (including Three Gorges Dongshan Hotel, Three Gorges Dongba Hotel and Gedian Hotel), a transportation subsidiary and Beijing Convention Service Co., Ltd, four wholly-owned subsidiaries (i.e., Yichang Three Gorges International Travel Agency, Chengdu GaoxinHaosheng Hotel Co., Ltd, Chongqing Three Gorges Travel Agency and Yichang Three Gorges World Tourism Co., Ltd, as well as minority-owned companies of Three Gorges Pinghu Travel Co., Ltd and GaoxiaPinghu Pleasure Boat Co., Ltd. CTGTD is now dealing with scenic zone management, tourism shows, travel agency, hotel management, transportation and sightseeing boat operation.

The core business of the company is operation of Three Gorges Dam Attraction, one of the first top-class scenic areas and the first industrial tourism demonstration sites in China. In addition, CTGTD operates a flagship hotel, the Three Gorges Hotel, which in turn runs five subsidiary hotels, including the Three Gorges Dongshan Hotel, Three Gorges Xiba Hotel, Gedian Hotel and Gedian Training Center. The Three Gorges International Travel Agency is one of the top 100 travel agencies in China and one of the largest international travel agencies in Yichang area, and received the license to operate organized tours in Taiwan in 2011. The transportation subsidiary of the company operates with over 140 coaches and is responsible for transport of tourists in the Dam area and the public transport on Three Gorges Dam, with throughput of over 5.5 million person times each year. The Three Gorges Troupe was established to stage the indoor version of “Glorious Yangtze River and Three Gorges” and to contribute to the corporate culture building program of CTG. Three Gorges Pinghu Travel Agency, a joint venture among Three Gorges Tourism Co., Ltd, Western Hubei Eco-Cultural Tourism Investment Co., Ltd and Zigui County Government with registered capital of RMB 100 million, was established to exploit the tourism opportunities along Jiuwan Creek, the Three Gorges valley and the hometown of famous ancient Chinese poet Qu Yuan. GaoxiaPinghu Pleasure Boat Co., Ltd, a joint venture among Three Gorges Tourism Co., Ltd, Western Hubei Eco-Cultural Tourism Investment Co., Ltd, Yichang Transport Group Co., Ltd, Hubei Shennongjia Tourism Development Co., Ltd and Hubei Shennong Tourism Investment Group Co., Ltd with registered capital of RMB 47 million, is established to exploit the sightseeing opportunities at GaoxiaPinghu on the Three Gorges Dam and in neighboring areas, with four pleasure boats in operation. Chengdu GaoxinHaosheng Hotel is a five-star hotel with 333 hotel rooms and suites and is managed by the company on behalf of CTG.

Yangtze Three Gorges Equipment & Materials Co., Ltd.

Headquartered in Chengdu of Sichuan Province, Yangtze Three Gorges Equipment & Materials Co., Ltd. (“YEMC”) is a wholly-owned subsidiary of CTG established in September 2000 with a registered capital of RMB 50 million.

As a specialized business unit of CTG, YEMC provides reliable equipment and material supply services to CTG, as well as the use, management, maintenance and warehousing of special-purpose equipment, logistics and equipment and materials recycling. While supplying and managing equipment and materials for many high-value hydropower projects of CTG, it deals mainly with commercial agency for equipment and material supply contracts, warehouse management, transport of heavy-duty machines, procurement services, licensed operation of tank farms and initiating explosive devices and management of docks and railway stations for heavy cargos, playing an important role supply chain management of CTG.

Currently, YEMC is an executive council member of China Federation of Logistics and Purchasing and a member of China Water Resources and Electric Power Association on Physical Distribution. YEMC was accredited to Occupational Health and Safety Management (OHSMS) System and quality management system in 2004 and 2007 respectively and received a certificate of quality, environment and occupational health and safety standard compliance in 2013. The company was rated as a most trusted company in power industry by China Electricity Council. The company operates with licenses for ordinary cargo transport, freight terminal operation, finished oil retailing, hazardous chemicals, cross-region distribution of civil explosives, road transport of large-sized goods (Class IV) and Class A license for transportation of large-sized electric equipment.

Three Gorges International Tendering Co. Ltd.

With registered capital of RMB 15 million , Three Gorges International Tendering Co. Ltd.

(“TGIT”) is a professional tendering company registered with the State Administration of Industry and Commerce on June 13, 1996, a company founded by CTG as instructed by the former Chinese Premier Li Peng and with the approval of the State Council Three Gorges Construction Committee to meet the needs for modern project management and best tendering practices.

TGITC is primarily engaged in tendering agency and contract execution, and provides services in the field of international trade and engineering consulting. TGIT undertook the public tendering for construction, installation, electromechanical equipment, metallic structures, materials, and consulting services for the construction of the Three Gorges Dam, the hydropower development of the Jinsha River and new energy development projects.

The company received Class A license for project bidding agency from the Ministry of Housing and Urban-Rural Development in 2002, Class A license for contracting of central government-funded projects from the NDRC in 2010, and Class A license for government procurement projects from the Ministry of Finance in 2012. In March 2012, the company was given a 5A credit rating by China Tendering & Bidding Association, followed by a successful renewal of ISO9000 accreditation in December 2012.

In 2013, the company completed 337 bidding projects for CTG, involving a total contract price of about RMB 30.6 billion and covering hydropower station construction along the Three Gorges and Jinsha River watershed, wind power generation and photovoltaic solar power generation. In addition, the company undertook 15 public bids including Zangmu Hydropower Station, public works in Chengdu and public rental housing project in Haidian District of Beijing, involving a total contract price of RMB 200 million. In terms of contract execution and performance, the company performed the commercial terms for procurement of GCB equipment for Xiluodu Hydropower Station and Xiangjiaba Hydropower Station with respect to customs clearance, tax payment, domestic transport and payment for goods, as well as claims in connection with international GIL electromechanical equipment procurement contract for Xiluodu Hydropower Station.



Build an international first-class Clean Energy Group



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