



中国三峡
China Three Gorges Corporation

2019 Annual Report

China Three Gorges Corporation



Corporate Information

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 English Name: China Three Gorges Corporation
 Abbreviation: CTG
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Chairman and President's Message



Lei Mingshan, Board Chairman

雷鸣山



Wang Lin, Director of the Board, President

王林

In 2019, CTG achieved significant results through deepening reform. We fully aligned the company with the mandates issued by the National Development and Reform Commission (NDRC) and the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) on CTG's strategic positioning. The company made major strides in delivering high-quality development and maintaining stable operations.

CTG made steady progress over the past year as measured by major performance indicators. It accomplished its annual targets, contributing to the country's steady growth. We also deepened reform of state-owned enterprises, optimized the group's management and control systems, and adjusted the headquarters' organizational structure. These adjustments invigorated the organization as it grew further as a world-class enterprise.

Over 2019, CTG's dominant clean energy business grew bigger and stronger, with the Three Gorges Reservoir impounded to 175 meters for the 10th consecutive

year. The ship lift project was successfully completed and the lift put into operation, comprehensively enhancing the Three Gorges Project, and further elevating its image as a top-notch national development project.

Significant progress was made in the construction of two world-class hydropower stations, in Wudongde and Baihetan. The first dam section of the Wudongde project was completed and filled, and electromechanical installation of the first 1GW hydraulic generator at Baihetan was begun, laying a solid foundation for achieving the station's power generation target on schedule.

CTG's strategy of leading China's offshore wind power business was successfully implemented with projects like Jiangsu Dafeng and Guangdong Yangjiang being put into operation. And the world's second largest and Asia Pacific's largest 10MW offshore wind turbine rolled off the production line, marking a major breakthrough in localizing production of large capacity

offshore wind power equipment.

CTG's international business expanded steadily, including the successful acquisition of Luz del Sur (LDS), Peru's largest electricity distribution company. The LDS acquisition was the largest overseas M&A deal completed by a Chinese company in 2019, and the world's largest electricity asset acquisition deal in the past three years.

CTG also closed a deal to purchase as part of a consortium the Chaglla Hydropower Plant in Peru, and took equity in the Kaleta Hydropower Plant in Guinea. Meanwhile, progress was made in constructing key projects such as the Karot hydropower project in Pakistan, Nam Lik 1 Hydropower Station in Laos, and San Gaban III hydropower project in Peru.

The Yangtze River Protection Initiative also achieved significant progress over the past year. CTG stepped up its efforts to comprehensively protect the Yangtze River through various pilot projects and partnerships covering all the sections of the river.

Through the operations of its five major business platforms (Yangtze Ecology and Environment Co., Ltd., Yangtze Green Development Fund, Special Funds for Yangtze River Protection, Yangtze Ecological Environment Engineering Research Center, and Yangtze Ecological Conservation and Environmental Protection Industry Association), CTG fulfilled its responsibility and mission in line with China's national strategies. CTG also ramped up projects covering urban sewage treatment as part of the "Three Gorges model", and gradually applied the model more widely, with remarkable results in terms of protecting the Yangtze River's ecology.

CTG strengthened its partnerships with 11 provinces and cities and more than 80 districts and counties along the Yangtze River, and companies across the industry chain located upstream and downstream.

CTG racked up a series of remarkable achievements in the past year. In terms of technical innovation, we focused on bottleneck technologies and made important breakthroughs in areas such

as large capacity offshore wind power units, the maintenance of 500kV gas insulated transmission lines (GIL), and robots for hydropower plant repair and maintenance.

As a corporate social responsibility role model, CTG in 2019 invested over RMB 3.5 billion in CSR to contribute to the national poverty alleviation initiatives.

In 2019, we all put our shoulders to the wheel and as a result made significant advances. Progress was achieved thanks to the strong leadership of the CPC Central Committee with Comrade Xi Jinping at its core, the strong support and assistance of the relevant ministries and commissions, local party committees and governments, and the hard work of all CTG's employees.

We are confident of more successes in 2020, the last year of the 13th Five-Year Plan of China, and when the goal of building a moderately prosperous society will be achieved. It will also be a crucial year for CTG's evolution into a world-class enterprise.

The Chinese people, under the strong leadership of the Central Committee of the Communist Party of China (CPC) with Xi Jinping at its core, worked incredibly hard in 2019, and through their concerted efforts, achieved major advances in the building of a moderately prosperous society.

Playing its part in driving the country's rising prosperity and continued development, China Three Gorges Corporation (CTG) expended great efforts to achieve remarkable successes over the past year.

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, CTG implemented the guidelines from the 19th CPC National Congress, and the second, third and fourth plenary sessions of the 19th CPC Central Committee.

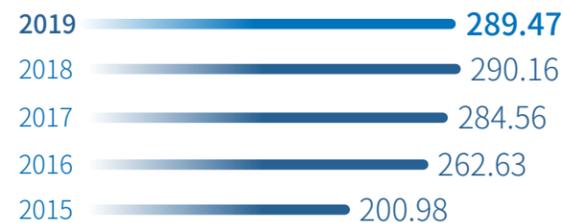
Following a CPC Central Committee inspection and guided by the CPC education campaign themed "staying true to our founding mission", CTG adopted new development strategies and spared no effort to reform and realize rapid and high-quality growth, as well as further bolster Party building. CTG's numerous achievements form an extraordinary backdrop for celebrations of the 70th anniversary of the People's Republic of China.

We will witness the first batch of units at the Wudongde hydropower plant enter operation. Also, CTG's efforts to protect the Yangtze River's environment and ecology will yield even better results. In 2020, CTG will be more united under the strong leadership of the CPC Central Committee with Comrade Xi Jinping at its core, and will put into practice the principles enunciated in President Xi Jinping's major addresses.

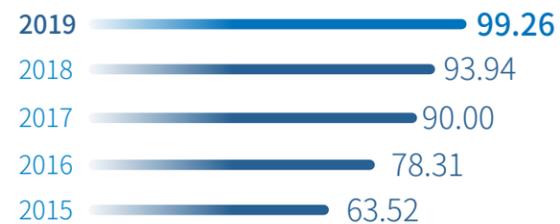
At the same time, we will stay true to our founding mission, redouble our efforts to improve, adhere to our strategy and achieve great successes. Moreover, we will continue to develop clean energy and protect the Yangtze River's ecosystem, and better shoulder our responsibilities enshrined in the "six roles" and build CTG into a world-class enterprise that makes significant contributions to the building of a moderately prosperous society.

2019 Key Performance Indicators

Electricity Generation (in TWh)



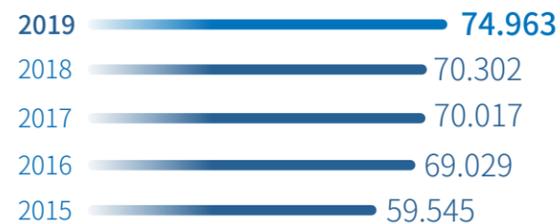
Operating Revenue (in RMB billion)



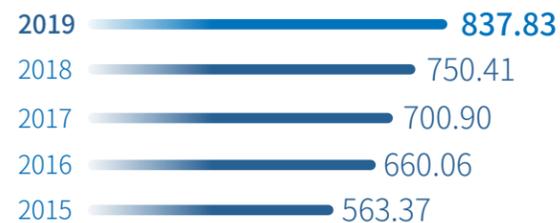
EBITDA (in RMB billion)



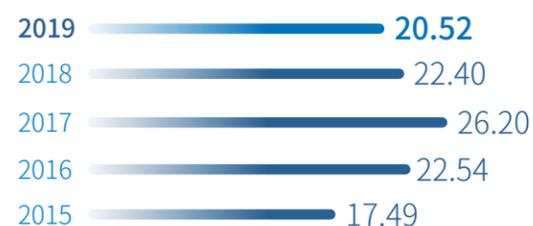
Installed Capacity (in GW)



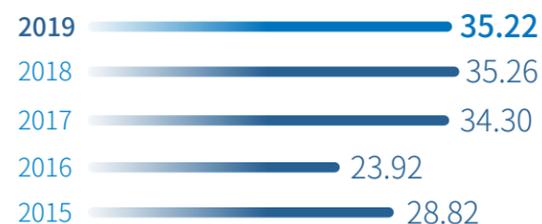
Total Assets (in RMB billion)



Total Tax Paid (in RMB billion)



Net Profit (in RMB billion)



Company Profile



China Three Gorges Project Corporation was founded on September 27, 1993, with the approval of the State Council. On September 27, 2009, it was renamed China Three Gorges Corporation (CTG). Following a corporate restructuring, CTG became a solely state-owned company on December 28, 2017. CTG's strategic development positioning is as follows:

- Actively support major national strategies, such as development of the Yangtze River Economic Belt, and the Belt and Road Initiative;
- Integrate CTG more deeply into the Yangtze River Economic Belt and play a key role in protecting the Yangtze River;
- Promote sustainable development in the region;
- Take a lead in promoting innovation in the clean energy industry; and
- Deepen reform to become a globally competitive world-leading transnational clean energy group with strong innovation capabilities.

CTG's principal business comprises:

- Hydropower project construction and management;
- Power production;
- International investment and project contracting;
- New energy development such as wind power and solar energy;
- Comprehensive development and utilization of water resources; and
- Related professional and technical consulting services.

Given CTG's sustainable, high-quality and rapid development over the past 20 years, it has grown to become the largest clean energy group in China and the world's biggest hydropower development and operation enterprise.

At the end of 2019, CTG's consolidated installed capacity had reached 74.963GW, of which 94.3% was from renewable and clean energy sources. Meanwhile, its consolidated installed hydropower

capacity comprised 13.9% of China's total installed hydropower capacity. CTG had total assets of more than RMB 837.83 billion, and ranked high among state-owned enterprises in terms of profit before income tax, net profit attributable to the parent company, the profit-to-cost ratio, labor productivity, per capita profit, per capita tax payment and other financial indicators.

CTG is fully responsible for the construction and operation of the Three Gorges Project. After more than two decades of hard work, preliminary construction of the Three Gorges Project was completed as scheduled in 2009, and the Three Gorges Ship Lift Project started trial operations in September, 2016.

CTG is also responsible for the development, construction and operation of a cascade of four world-class large hydropower plants—Xiluodu, Xiangjiaba, Wudongde and Baihetan—on the lower reaches of the Jinsha River. CTG is also active in developing new energy businesses, such as wind power and solar energy, as part of its efforts to expand new energy as its second principal business. CTG is committed to becoming a leading developer of offshore wind farms.

According to central government guidance on its strategic development, CTG will take up responsibility for sewage treatment and play a leading role in concerted efforts to protect the Yangtze River in the Yangtze River Economic Belt.

Meanwhile, CTG has accelerated its drive to internationalize and take its upgraded version of the entire hydropower industry chain to overseas markets.

By the end of 2019, CTG's overseas investments and contracting business covered more than 40 countries and regions across Europe, the Americas, Africa and Southeast Asia.

In the spirit of serving the country and its people, respecting life and nature, blazing new trails in a down-to-earth manner, pursuing win-win partnerships with an open and inclusive mindset, and keeping good faith and professional ethics, CTG has spared no effort in building power stations that stimulate local economy, improve the local environment and benefit resettled residents. In addition, CTG actively fulfills its social responsibilities.

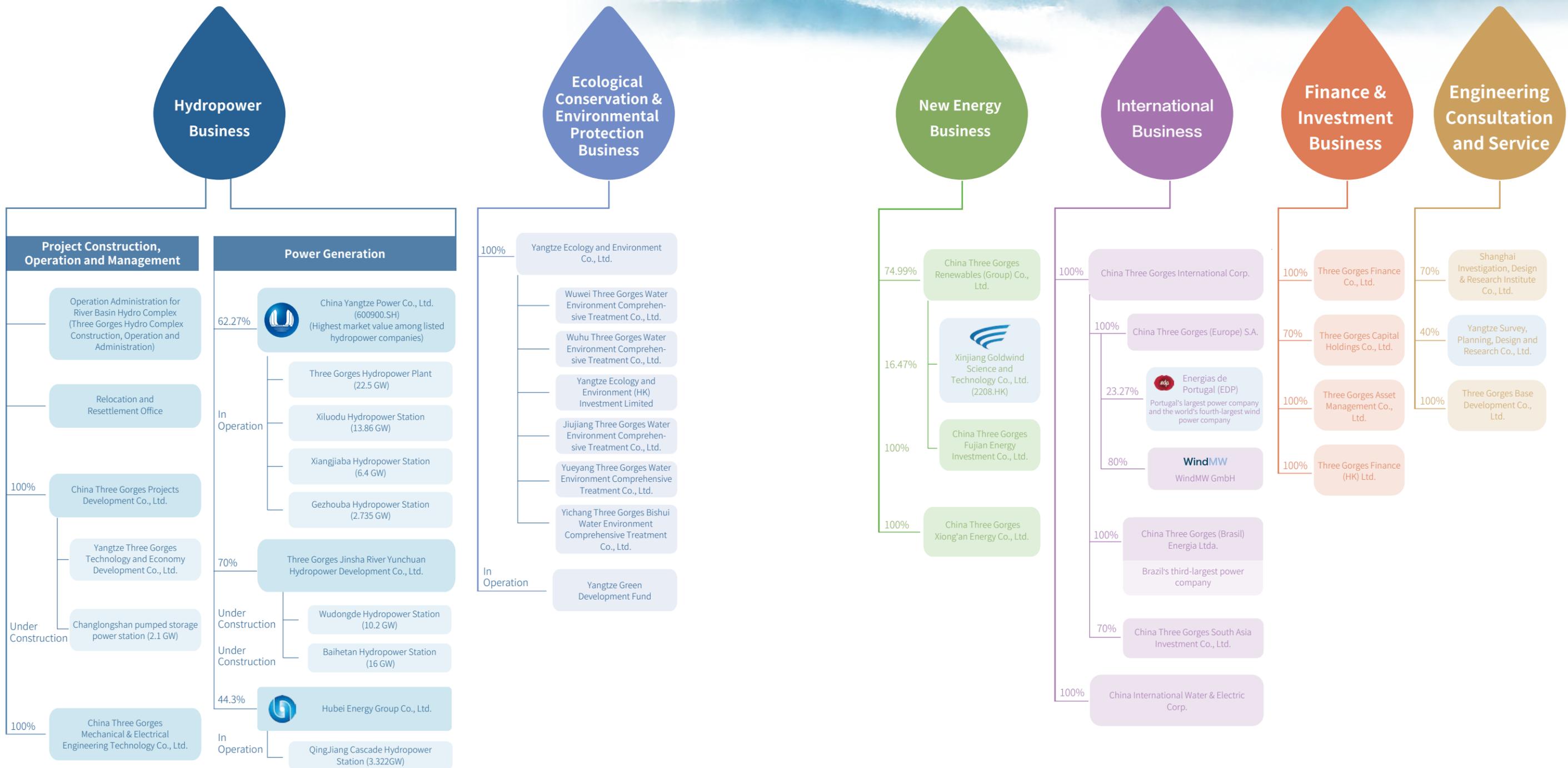
As well as its achievements in flood control, water resource preservation, energy conservation, emission reductions and ecological protection, CTG has sought to develop clean energy through engineering, technical and scientific innovation in order to create ecological, social and economic benefits.

At the same time, CTG has led social-public welfare projects, such as those focused on targeted poverty alleviation, local-level assistance programs, community co-development initiatives, and aid to Xinjiang and Tibet.

CTG's development of hydropower results in material benefits for resettled populations and the environment, and boosts local economic and social progress. The company's achievements are benefiting more and more people.

CTG wholly owns or has a controlling interest in several subsidiaries, including China Three Gorges Projects Development Co., Ltd.; China Yangtze Power Co. Ltd. (a listed company); China Three Gorges International Corporation; Yangtze Ecology and Environment Co. Ltd.; China Three Gorges Renewables (Group) Co., Ltd.; Hubei Energy Group Co., Ltd. (a listed company); China International Water & Electric Corp.; and Three Gorges Capital Holdings Co., Ltd.

Business Units



Directors of the Board



Lei Mingshan
Board Chairman



Wang Lin
Director



Ding Zhongzhi
Outside Director



Wang Zhisen
Outside Director



Zhang Yuanrong
Outside Director



Xia Dawei
Outside Director



Cai Yongzhong
Staff Director

CTG Executive Team



Lei Mingshan, Board Chairman (5th from right)

Lin Chuxue, Executive Vice President (4th from left)

Long Fei, Head of Discipline Inspection Group (3rd from left)

Zhang Dingming, Executive Vice President (2nd from left)

Yang Xingshi, Executive Vice President, Chief Financial Officer (1st from right)

Sun Zhiyu, Executive Vice President (1st from left)

Wang Lin, Board Director, President (4th from right)

Wang Liangyou, Executive Vice President (3rd from right)

Fan Xiaxia, Executive Vice President (2nd from right)

Development Strategy

Strategic Positioning

Actively support major national strategies, such as development of the Yangtze River Economic Belt, and the Belt and Road Initiative; integrate CTG more deeply into the Yangtze River Economic Belt and play a key role in protecting the Yangtze River; promote sustainable development in the region; take a lead in promoting innovation in the clean energy industry; and deepen reform to become a globally competitive world-leading transnational clean energy group with strong innovation capabilities.

Development Concept

Always keep in mind the spirit of the important speeches made by President Xi Jinping that are relevant for CTG. Stay true to our founding mission and fulfill our responsibilities. Develop clean energy and protect the Yangtze River's ecosystem.

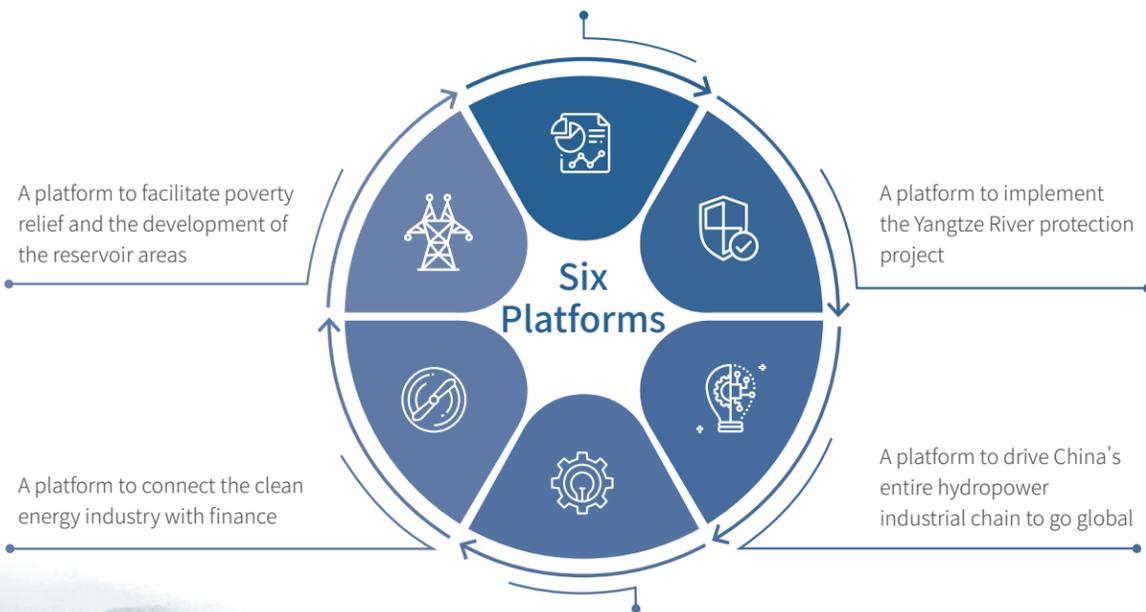
Vision

We will extend CTG's business according to the Two Ends model of the hydro-power industrial chain, give full play to CTG's six roles, and build six platforms. CTG will also strive to take the lead in three aspects, and pursue "five transitions" at a faster pace, with the aim of becoming a world-class clean energy multinational group by the year 2020.

The Two Ends

Extend CTG's business toward two ends: aquatic environment, water ecology and resource protection at one end, and power distribution and supply business at the other, so as to contribute to the protection of the country's freshwater resources, power system reform and mixed-ownership reform in China.

A platform to develop and utilize water resources in the Yangtze River basin and to operate the reservoir complex



Three Priorities



Five Transformations



Six Roles

- Offer a fundamental guarantee for Yangtze River Economic Belt development
- Be a key player in protecting the Yangtze River
- Take the lead in taking China's hydropower industry global
- Provide the impetus for the upgrading of the clean energy industry
- Be a pioneer in deepening state-owned enterprise reforms
- Be an exemplar of social responsibility

Business Development



Development and Operation of Large Hydropower Projects

01

Three Gorges Water Conservancy Complex

Installed Capacity (in GW) **22.5**
 2019 Electricity Production (in TWh) **96.88**
 Year of Commissioning **2003**
 Designed Water Level (in m): **175**

02

Xiangjiaba Hydropower Station

Installed Capacity (in GW) **6.4**
 2019 Electricity Production (in TWh) **33.72**
 Year of Commissioning **2012**
 Designed Water Level (in m): **380**

03

Xiluodu Hydropower Station

Installed Capacity (in GW) **13.86**
 2019 Electricity Production (in TWh) **60.78**
 Year of Commissioning **2013**
 Designed Water Level (in m): **600**

04

Baihetan Hydropower Station

Installed Capacity (in GW) **16**
 Year of Commissioning **2021** (estimated)
 Designed Water Level (in m) **825**

05

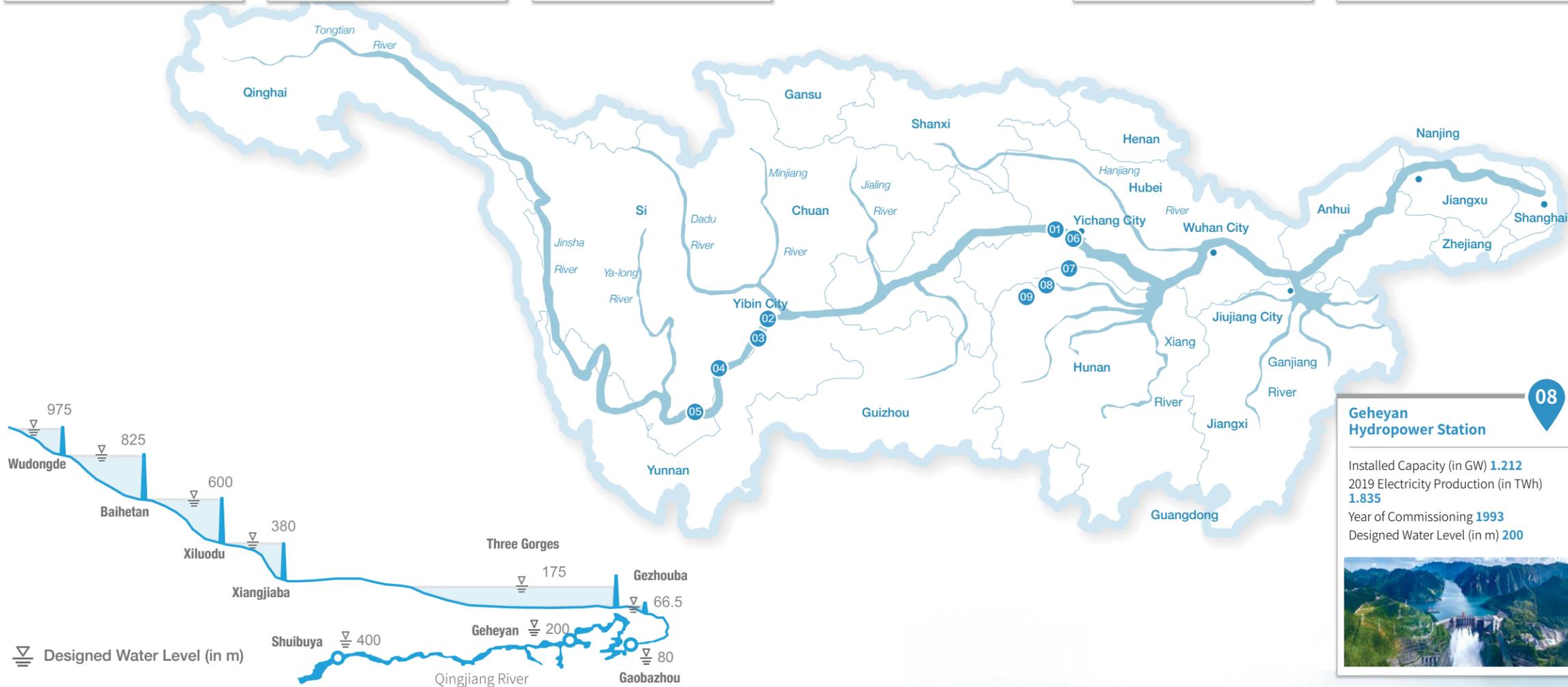
Wudongde Hydropower Station

Installed Capacity (in GW) **10.2**
 Year of Commissioning **2020** (estimated)
 Designed Water Level (in m) **975**

06

Gezhouba Hydropower Station

Installed Capacity (in GW) **2.735**
 2019 Electricity Production (in TWh) **19.09**
 Year of Commissioning **1981**
 Designed Water Level (in m) **66.5**



07

Gaobazhou Hydropower Station

Installed Capacity (in GW) **0.27**
 2019 Electricity Production (in TWh) **0.65**
 Year of Commissioning **1999**
 Designed Water Level (in m) **80**

08

Geheyan Hydropower Station

Installed Capacity (in GW) **1.212**
 2019 Electricity Production (in TWh) **1.835**
 Year of Commissioning **1993**
 Designed Water Level (in m) **200**

09

Shuibuya Hydropower Station

Installed Capacity (in GW) **1.84**
 2019 Electricity Production (in TWh) **2.27**
 Year of Commissioning **2007**
 Designed Water Level (in m) **400**

Large Hydropower Projects in Operation

CTG's large hydropower facilities are China's industrial pillars and have provided a huge energy source for national and social development, in addition to being a major contributor to the country's goal of national rejuvenation.

CTG runs nine hydropower plants (in operation or under construction) along the main stretch of the Yangtze River and its tributary, Qing River, with a combined installed capacity of 75GW.

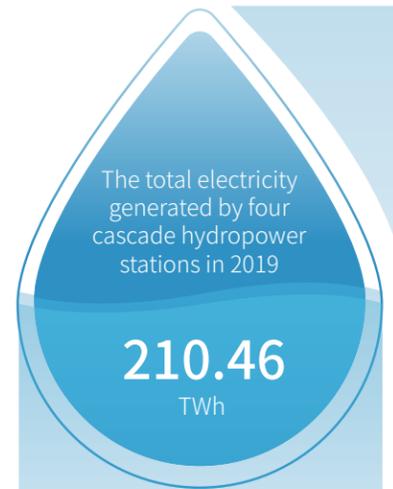
In 2019, five reservoirs operated by CTG that support a combined flood-control capacity of 28.7 billion cubic meters are included in the joint flood-control operation on the upper and middle reaches of the Yangtze River, accounting for 50% of the total capacity that the operation can deliver, ensuring safety, energy supply and environmental protection for the Yangtze River Economic Belt.

CTG manages and operates a cascade of four hydropower stations along

the main stream of the Yangtze River, comprising the Xiluodu, Xiangjiaba, Three Gorges and Gezhouba projects.

In 2019, the cascade reservoirs in the lower reaches of Jinsha River were put into operation, a feat achieved with an excellent track record of no accidents or issues with quality. This achieved the key objective of ensuring power supplies for the 70th anniversary of the founding of the People's Republic of China and the 7th CISM Military World Games in Wuhan.

Four cascade hydropower plants generated 210.46TWh of electricity in 2019, equivalent to the power produced by burning 64.738 million tons of coal. The plants made an important contribution to reducing emission through low-carbon and green energy development. The power generated in 2019 reduced emissions by 0.18 billion tons of carbon dioxide, 42,000 tons of sulfur dioxide, and 40,000 tons of nitrogen oxide.



Xiluodu **60.78**

Xiangjiaba **33.72**

Three Gorges **96.88**

Gezhouba **19.09**



The completion and operation of the Three Gorges Project is a dream of generations of Chinese come true and an important symbol of the development of China since the period of reform and opening up. It also represents the advantage of socialism to concentrate resources to conduct major projects and embodies the wisdom and creativity of the Chinese people as well as the prosperity of the country. We must hold the national pillar projects in our own hands and make independent efforts to grasp the core technology that is not attainable from other countries.

— From President Xi Jinping's speech during his inspection of TGP on April 24, 2018



President Xi Jinping delivered an important speech as he inspected the Three Gorges Project in April 2018 in which he recognized the project as sign of China's development since the reform and opening up. He also acknowledged the TGP as an exemplary

project that shows the superiority of China's system, Chinese people's innovation and wisdom and a sign of China's rising prosperity, speaking highly of its historical and current significance in relation to the country's Two Centenary Goals. Xi's visit is a milestone event in TGP's history.

The Three Gorges Project performed well in 2019, thanks to steady and stable dam operations, its safe and stable power units, and the efficient and safe operation of the dual-direction five-stage ship locks. The trial navigational test of the ship lift was carried out

in a safe and orderly manner. The comprehensive benefits of flood control, power generation, navigational improvement, water replenishment and environmental protection were delivered.

Construction of the Three Gorges Dam ship lift was successfully completed in 2019. TGP was named a National Demonstration Base for Patriotic Education, and TGP's tourism area received a record of 3.2 million visitors.

Flood Control and Water Replenishment

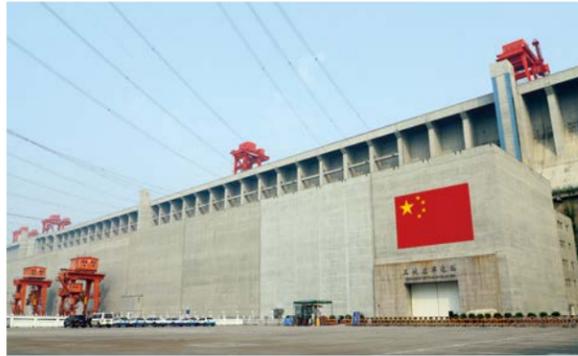
In 2019, the TGP reservoir received 431.424 billion cubic meters of water, 4.3% less than the annual average. During the draw-down period, the reservoir replenished the downstream stretches with 23.25 billion cubic meters of water over 124 days. During the flood season, approximately 9.32 billion cubic meters of floodwater was retained in four flood-control operations, effectively controlling the year's floods. To ensure safety in the middle and lower reaches of the Yangtze River, impounding began on September 10, 2019, and reached the goal of 175m on October 31, for the 10th consecutive year.



A complete view of the Three Gorges Project

Providing Clean Energy

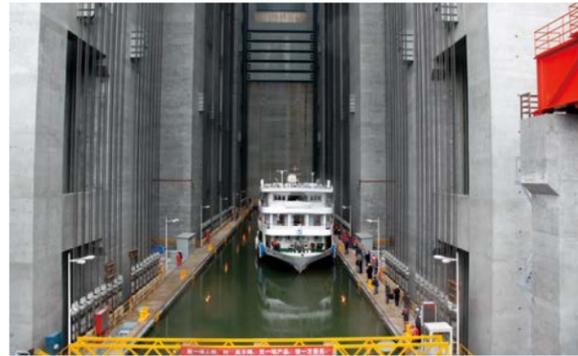
In 2019, the Three Gorges Hydropower Station's power units ran smoothly and generated 96.88TWh of electricity. Through the coordinated operations of the cascade reservoirs, optimal regulation of medium/small floods and elimination of floating debris to ensure the quality of the water head, we put hydropower to good use and increased the benefits generated by TGP.



Three Gorges Hydropower Station

Improving Shipping Conditions

In 2019, the ship locks and ship lift operated stably and safely. The ship locks hit a new record, operating 10,627 times and transporting 150 million tons of cargo. The ship lift operated 4,436 times in 2019, and carried 2,930 ships of various kinds, 147,000 passengers and over 1.142 million tons of cargo.



A vessel is passing through the Three Gorges Ship Lift

Environmental Protection

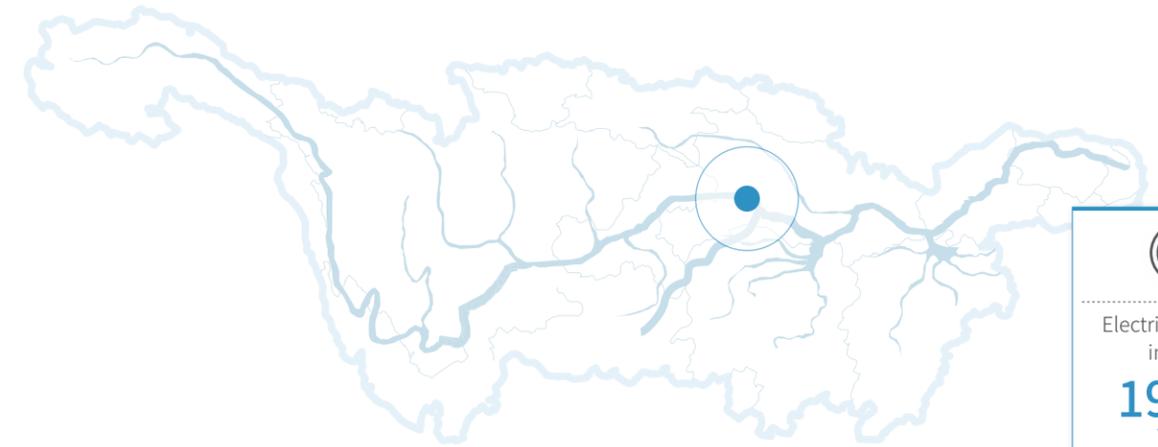
TGP conducted scheduled operations to protect the ecology in late May 2019, generating remarkable results. The water regulation operations created optimal conditions for breeding fish. The four major Chinese carp species laid as many as 3 billion eggs in the Yidu section of the Yangtze River in 2019, on par with the level in JingJiang in the 1990s.

Water quality in the reservoir area was generally good, as evidenced by the mostly Grade II-III water quality readings from monitoring stations in the mainstream sections. In addition, 58,000 cubic meters of floating debris was cleared before it reached the dam and disposed of responsibly.



Chinese sturgeon release ceremony 2019

Gezhouba Hydropower Station

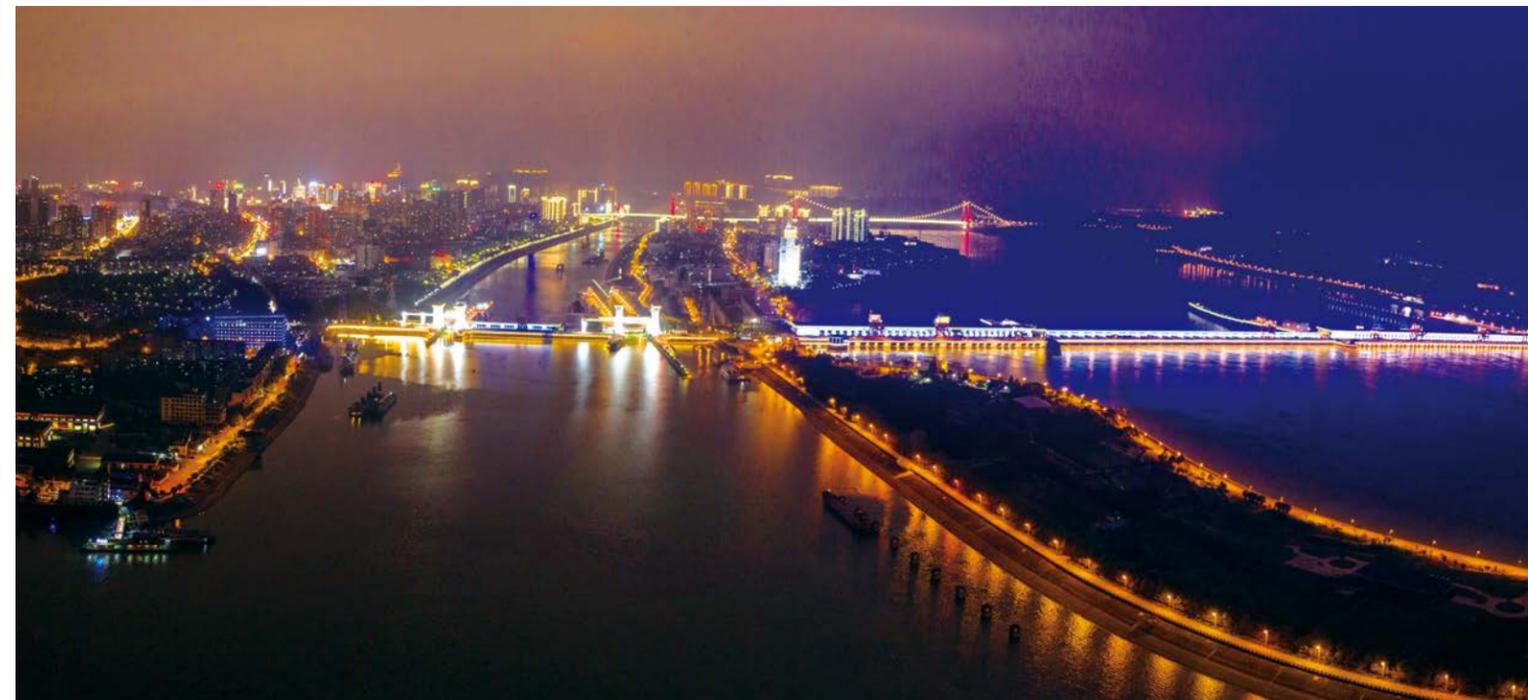


Electricity output in 2019
19.09
TWh

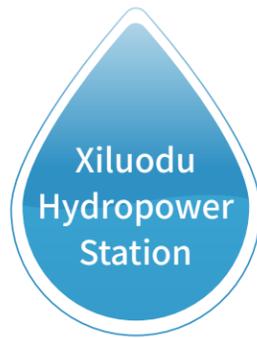
Gezhouba Hydropower Complex, located about 2,300 meters downstream of the Yangtze River's Nanjin Pass in Yichang, Hubei, at the end of the Three Gorges, is part of the navigational cascade. Lying 38,000 meters downstream of TGP, the station regulates the stretch's inconsistent flow and generates considerable power by utilizing the fall in water levels. It is the first large-scale hydropower complex to be built on the main section of the Yangtze

River, and the largest run-of-the-river hydropower plant, with a low water head and high flow.

Gezhouba Hydropower Station commenced construction in May 1971 and was completed in December 1988. In 2019, Gezhouba achieved an annual output of more than 19.09TWh, setting a new record while maintaining a leading position in the industry on all power unit key indicators.



Gezhouba Hydropower Station



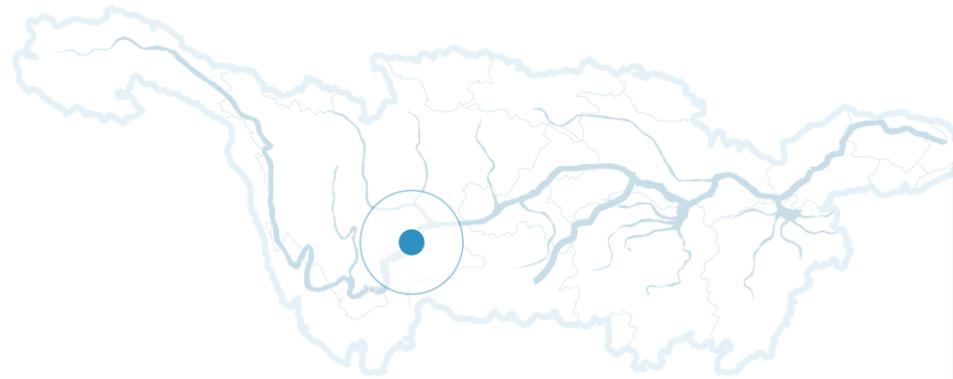
Xiluodu Hydropower Station

Xiluodu Hydropower Station, the world's fourth largest hydropower plant, is one of the key sources for transmitting electricity from China's western areas to the east. In addition to its main power generation function, it also offers the benefits of silt retention, flood control and downstream navigational improvement.

It comprises 18 770MW units, with a total installed capacity of 13.86GW. The station generates an annual average of 61.62TWh. At the normal impoundment level, it can support a reservoir capacity

of 11.57 billion cubic meters, including 4.65 billion cubic meters for flood control purposes.

Xiluodu Hydropower Station commenced construction in 2005, before the river was diverted around the construction site in 2007. The first generating units were commissioned in July 2013, and the final one came on line on June 30, 2014. In September 2016, Xiluodu Hydropower Station won the FIDIC Outstanding Project of the Year Award.




Xiangjiaba Hydropower Station

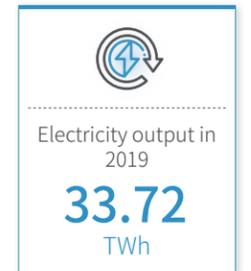
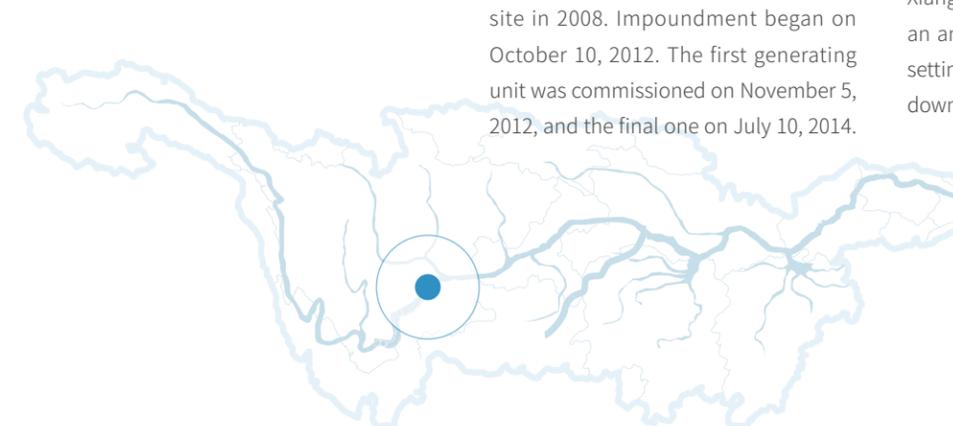
Xiangjiaba Hydropower Station, China's fifth-largest hydropower station and the last section of the cascade development on the lower main channel of the Jinsha River, at the intersection of Yunnan and Sichuan provinces, is a major source of electricity for eastern China. In addition to its main power generation function, it also provides benefits in the form of silt retention, flood control, improved downstream navigation, better irrigation and regulation of the Xiluodu utility.

Construction of Xiangjiaba Hydropower Station began in 2006, before the river was diverted around the construction site in 2008. Impoundment began on October 10, 2012. The first generating unit was commissioned on November 5, 2012, and the final one on July 10, 2014.

In 2016, the hydropower station passed post-completion safety assessments. In 2017, the Xiangjiaba ship lift completed its first full-scale trial operation. Its maximum hoisting height is a world-record 114.2 meters, and its lifting capacity is about 1,000 tons. With the Xiangjiaba ship lift's trial in 2018, the shipping industry along the Jinsha River entered a new era of ship lifts.

After trial operations were completed, the Xiangjiaba ship lift was awarded fire control certification and passed a safety assessment in 2019.

Xiangjiaba Hydropower Station reached an annual output of 33.72TWh in 2019, setting a new record. There was also no downtime, for the third consecutive year.



Xiluodu Hydropower Station



Xiangjiaba Hydropower Station

Large Hydropower Projects Under Construction

CTG's projects feature excellence, innovation, integrity and green development that serve people's livelihoods. Furthermore, CTG is dedicated to making the Wudongde and Baihetan hydropower stations exemplary projects that reflect the company's ethos, responsibilities, and high standards.

As a firm believer that lucid waters and lush mountains are invaluable assets, CTG aims to develop green, exemplary, harmonious and innovative facilities that lead China's pumped storage hydropower stations to a new level of success.

Total Installed Capacities of Large Hydropower Projects Under Construction



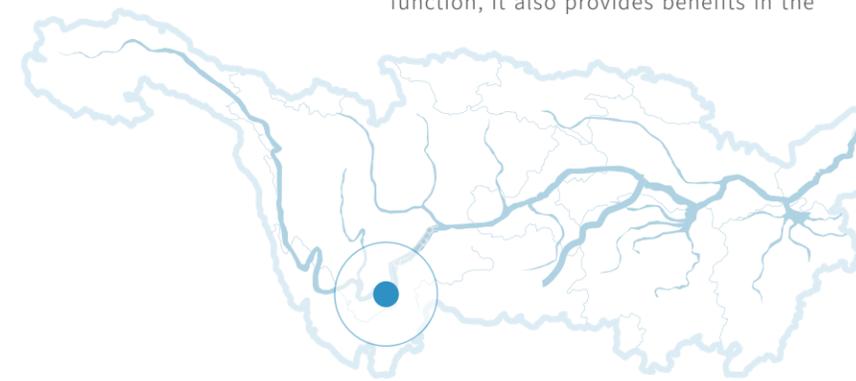
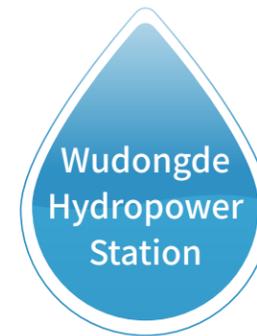
Wudongde Hydropower Station
10.2 GW



Baihetan Hydropower Station
16 GW



Changlongshan Pumped Storage Power Station
2.1 GW



Located on the lower main channel of the Jinsha River, at the intersection of Yunnan and Sichuan provinces, Wudongde Hydropower Station is the seventh largest hydropower station in the world. It is a major supplier of electricity to east China, and key to the large-scale development of China's western region. It also supports the country's 13th Five-year plan. Wudongde Hydropower Station is a significant component of the national drive to reconfigure China's energy industry through saving energy and reducing emissions, propel the economic development of west China, and promote social and economic progress. In addition to its main power generation function, it also provides benefits in the

form of flood prevention, improved shipping conditions.

Wudongde Hydropower Station is designed to be equipped with 12 generators, each with a generating capacity of 850MW. Total installed capacity will be 10.2GW with an estimated annual output of 38.91TWh.

Preparatory work for Wudongde Hydropower Station began in 2011, and construction of the main section commenced in December 2015, following approval of the pertinent national authorities. The first generators are expected to be commissioned in June 2020, and all units will be put into service in June 2021.

Wudongde Hydropower Station achieved the company's targets of raising the dam over 100m in height and pouring over 1 million m³ of concrete for two years in a row in 2019. With the first sections completed, all generator parts installation and the relocation of residents are close to completion, and the impoundment work is on track.



Workers hoist the rotor of the first power unit (No. 7) on the right bank of the Wudongde Hydropower Station



Wudongde Hydropower Station

Baihetan Hydropower Station

Baihetan Hydropower Station, the second section of the four-section cascade on the lower reaches of the Jinsha River, is the fourth large power station to pass the 10GW milestone in China, following TGP, Xiluodu and Wudongde hydropower stations. It is the world's largest power plant currently under construction, with the second largest installed capacity. It is also one of the key electricity sources for east China. Once completed, the hydropower station will not only perform its main function of power generation, but also prevent floods, promote local economic and social progress, and lift the resettled local population out of poverty. Silt retention, downstream navigational improvement and the formation of a navigational course in the reservoir area can also be expected.

Baihetan Hydropower Station, with an installed capacity of 16GW, guarantees an output of 5.5GW and generates an average 62.52TWh of power annually. With an 825m normal impoundment level, the hydropower station supports a total storage capacity of 20.6 billion cubic meters and a regulation storage

capacity of 10.4 billion cubic meters. It also has a flood control capacity of 7.5 billion cubic meters.

Building work on the main part started on August 3, 2017, upon approval of the State Council, which ushered in a new "GW-level unit" era for the world's hydropower sector and signaled that China is now a world-leading producer of ultra-large hydropower generators. Several new world records have been broken: single-unit capacity reached 1GW for the first time; the world's best earthquake-proof performance among 300m-plus dams; the world's largest cylindrical tailrace surge tank; the world's largest free flow discharging section; and the world's first application of low-heat cement across the entire 300m-plus dam. It also outperforms the vast majority of engineering works in terms of technical complexity.

Baihetan's concrete placement and generator installation entered a new stage with the maximum elevation topping 200m, installation of generator parts commencing, impoundment officially launched, and the construction of resettlement facilities under way.



Baihetan Hydropower Station

Changlongshan Pumped Storage Power Station

Changlongshan Pumped Storage Power Station, which operates on a daily regulation cycle, was built with a total investment of more than RMB 10 billion. Located in Tianhuangping Town, Anji County, Huzhou City, Zhejiang Province, near the load center of the East China power grid, the station will play a key role in optimizing the power supply structure and power grid operation in East China, leading to greater economic efficiency, stability and safety. It is also of great significance for driving the local economy and creating jobs, as well as promoting steady growth, structural adjustments, and higher living standards.

Changlongshan Pumped Storage Power Station will comprise six 350MW reversible pump-turbine generating units and, with a total installed capacity of 2,100MW, will rank third in size among all pumped storage power plants in China. In addition, a 710m rated water head means that it will be the power

station with the highest water head in China, and the second highest in the world. The station officially commenced construction in 2015.

In 2017 the river was diverted, and engineering works of the main part of Changlongshan Pumped Storage Power Station began, with the pilot hole in the first deviated well of the water channeling system being drilled in one go.

Changlongshan Pumped Storage Power Station filled the dams on the upper and lower reservoirs in 2019, and the first water tunnel was excavated and expanded and installation of the underground powerhouse and concrete pouring began.

The development and construction of Changlongshan Pumped Storage Power Station marks a new achievement in terms of the design, construction and equipment manufacturing of pumped storage power stations in China.



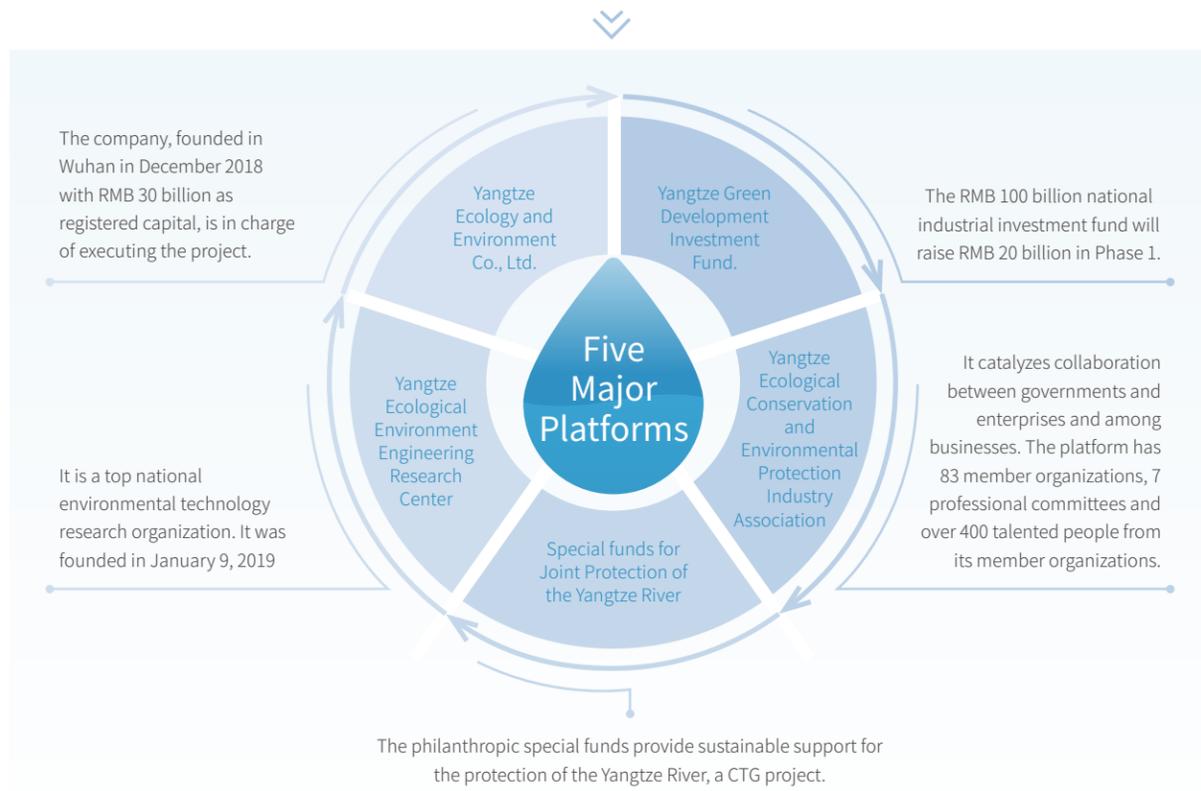
A bird's-eye view of the planned Changlongshan Pumped Storage Power Station

Ecological Conservation and Environmental Protection

CTG studied and implemented the important instructions given by President Xi Jinping to coordinate the development of clean energy and environment protection while prioritizing protection of the Yangtze River. CTG has spared no effort to transition from pilot projects and collaboration to the comprehensive coverage of all river sections, achieving new breakthroughs in the Yangtze River protection initiative and progress in restoring the environment and protecting the ecosystem.

Coordinated Operation of the Five Major Platforms

The Five Major Platforms established by CTG play a pivotal role in the initiative to protect the Yangtze River's ecosystem, an initiative that provides valuable experience in building a government-led public environment management system shaped through social organizations and companies playing major roles.



The CTG Mode - A Science-based Water Governance Program

CTG's water governance approach starts with urban sewage treatment and seeks to learn about the current status and address the existing problems, under a master plan that is based on the total pollutants allowed to be released. The approach adheres to the principles of making overall plans for the river basin and regional coordination that are designed to achieve, systematic management, and address both the symptoms and root cause. The strategy also emphasizes tailored policies for each individual city and focuses on overall efficiency and scale of operations, guiding project investment, construction and operation with methodologies that take into account sewage plants, pipelines, rivers, lakes and banks and putting equal importance to the treatment of sewage and sludge. It also highlights resources and energy recycling and the life-cycle operation and management of each project. The water governance goal is to collect and treat all urban sewage in a way that both meets environmental standards and the resources recycled are adequately utilized, ensuring that the quality of overall urban water is improved significantly.

Expanding into New Areas

CTG made progress in protecting the Yangtze River in 2019 by collaborating with 11 provinces and cities along the river. It invested a total of RMB 58.94 billion, including RMB 43.54 billion in fixed assets and RMB 15.4 billion in equities, hitting the annual target. Breakthroughs were achieved in the upper reaches, solid support was provided in the middle reaches and upfront capital investment was made for the lower reaches of the Yangtze River.

RMB **58.94** billion investment



The Wangjia River environment management project in Yueyang, Hunan Province



The Huansaiheng Lake regional pollution control and ecological revamp project in Jiujiang, Jiangxi Province

Upfront Capital Investment

CTG launched the "capital plus" model to guide its equity investment in the nationwide business platform, regional platforms and service and technical companies. Over RMB 35 billion was invested in 35 joint programs.

<p>Capital plus: nationwide business platform</p> <p>Establish equity-based partnerships and leverage complementary advantages through collaboration to increase investment in Yangtze River protection and build up the capacity</p>	<p>Capital plus: regional platforms</p> <p>Break through the bottlenecks and effectively improve the capabilities for investment, operation and management; gradually establish a market-based mechanism, and enable regional business platforms to play their part; and create effective tools and vehicles to jointly protect the river</p>	<p>Capital plus: professional and technical companies</p> <p>Ensure professional services for Yangtze River protection and help companies expand, further improve R&D on core technologies and drive robust industrial development</p>
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Leading Through a Collaborative Approach

CTG drove the progress of projects through multiple partnerships in 2019, expanding business collaboration as part of the new mechanism to ensure Yangtze River protection. The joint efforts quickly generated results.

CTG's work progressed through three stages: launching pilot projects in four cities; expanding partnerships to 12 cities along the river; and moving on to cover whole sections of the river. CTG collaborated with 11 provinces/cities or municipalities directly under the Central Government in the Yangtze River Economic Belt, where projects are being conducted in a rolling manner.



On June 5, 2019, the Office of the Leading Group for Promoting the Development of YREB held an on-site meeting in Wuhu, Anhui Province to promote the urban sewage treatment work of CTG in YREB.

By the end of 2019, CTG had signed a total of 58 cooperation agreements with governments at different levels in 11 provinces and cities along the Yangtze River. Subsequently, a list of projects to protect the river was drawn up

Upper reaches	Chongqing and Liangping District, Qijiang District, Banan District, Changshou District, Shapingba District, Jiangjin District, Wushan County and Fengdu County in Chongqing
Hubei	Hubei Province, Wuhan, Yichang, Ezhou, Jingmen, Tianmen, Shennongjia Forest Area, Hanyang District of Wuhan, Donghu New Technology Development Zone, Xiaoting District and Yiling District of Yichang, Yuan'an County, Xingshan County, Zigui County and Changyang County of Yichang, Yidu and Dangyang of Yichang, Songzi and Shishou of Jingzhou, Zhongxiang of Jingmen, Guangshui of Suizhou
Jiangxi	Jiangxi Province, Nanchang, Jiujiang, Pengze County of Jiujiang, Wan'an County of Ji'an
Hunan	Hunan Province, Zhuzhou, Yueyang, Yiyang, Liuyang, Yuanjiang, Lukou District of Zhuzhou, Huarong County of Yueyang
Anhui	Anhui Province, Wuhu, Ma'anshan, Lu'an, Xuancheng, Tongling, Dangtu County and He County of Ma'anshan
Yangtze River Delta region	Chongming District of Shanghai, Jiangsu Province, Nanjing, Yangzhou Eco-technology New City, Zhenjiang, Taizhou

Promoting Best Practice

The Yangtze River Economic Belt Development Board issued a resource titled Experience and Practices of Urban Sewage Management Through Collaboration Between China Three Gorges Corporation and Regions Along the River. It aims to promote best practices for urban sewage management and details CTG's experiences of working with the local entities.

<p>Planning and improving urban sewage management</p> <ul style="list-style-type: none"> • Sign agreements and launch strategic partnerships • Gather data on sewage and create overall plans • Integrate the plants with the network and attach equal importance to sludge and water 	<p>Adjust the fee system and rationalize the reward system</p> <ul style="list-style-type: none"> • Implement a dynamic fee system to cover water management costs • Prepare price adjustment plans and execute in steady steps • Increase policy support and drive collaboration
<p>Activate inventory assets and create a cycle of capital investment</p> <ul style="list-style-type: none"> • Activate local inventory assets and invest more in pipes and networks • Returns from the asset transfers are earmarked to improve infrastructure • Jointly manage urban sewage in cities along the river through equity partnerships 	<p>Enhance management and ensure quality construction and operations</p> <ul style="list-style-type: none"> • Create a fast track for an optimal business environment • Ensure engineering quality and control project costs • Standardize operations and management and reduce the operational costs
<p>Establish mechanisms for efficient collaboration between businesses and local entities</p> <ul style="list-style-type: none"> • Help dedicated teams connect with each other and improve the efficiency of collaborations • Manage the list of projects and highlight the projects' focus • Launch pilot projects and scale up 	<p>Collaborate and create win-win partnerships between multiple entities</p> <ul style="list-style-type: none"> • Establish industrial alliances and leverage complementary advantages • Step up collaboration between businesses and local entities for mutual benefit and win-win results



The two rivers of Jiujiang before the environment management project



Shuimu Qinghua stadium and Shili riverside after the environment management project was rolled out

Ecological and Environmental Protection

CTG made significant progress in ecosystem restoration and environment protection in 2019. It set up a team to compile a list of environmental responsibilities to guide eco-friendly development.

CTG's Xiluodu and Xiangjiaba projects were both named Annual National Water and Soil Conservation Eco-civilization Projects by the Ministry of Water Resources

Building Eco-friendly Hydropower

CTG adheres to the concept of green development based on the harmony between hydropower development and ecological benefits. This ethos unites project construction, ecosystem protection and environmental restoration throughout the process of hydropower plant construction. This approach is gradually resulting in environmental benefits. The overall design reports for environmental protection at

Wudongde Hydropower Plant and Baihetan Hydropower Plant were approved in 2019, and the water management project at Wudongde was completed. The Xiluodu and Xiangjiaba power stations were both named Annual National Water and Soil Conservation Eco-civilization Projects by the Ministry of Water Resources in 2019.



Xiluodu Hydropower Plant



Xiangjiaba Hydropower Plant

Protecting Rare Plants

CTG is committed to the coordinated development of hydropower and protection of the Yangtze River by implementing green policies. The Yangtze River Rare Plant Research Institute collected 80 rare endemic plant species in 2019, comprising over 720 plants. The institute's rare endemic plant species collection of over 20,000 plants, covers 600 species, including the Chinese dove tree and Chinese yew. Its survival rate is above 90%. The institute cultured more than 30,000 seedlings of rare and endemic plant species in the Three Gorges area using traditional methods.

More than **20,000** rare plants of **600** species such as Davidia involucrata, commonly called dove tree, and Taxus chinensis, also known as the Chinese yew, have been relocated and replanted as part of the preservation efforts



Adiantum reniforme var. sinense, an endemic species in the basin of Yangtze River



Chinese yew, a National Grade 1 Protected Plant Species

Protecting rare aquatic animals

CTG has continued to invest heavily in the protection of rare and endemic fish in the Yangtze River, deploying its massive technical capabilities and capital. In 2019, it finished building the Yangtze River Rare Fish Conservation Center, and joined the Ministry of Agriculture and Rural Affairs' initiative to save the Chinese sturgeon, as well as joined an initiative to protect Yangtze River aquatic animals protection. CTG also fully mastered the techniques to artificially propagate Chinese sturgeons. A record-breaking level of fish were propagated in 2019, 73% of which were released into the river. The complete artificial propagation of Chinese sturgeons in the Yangtze River was achieved for the first time, a milestone in protection of the endangered fish.

73% of the Chinese sturgeons artificially propagated were released



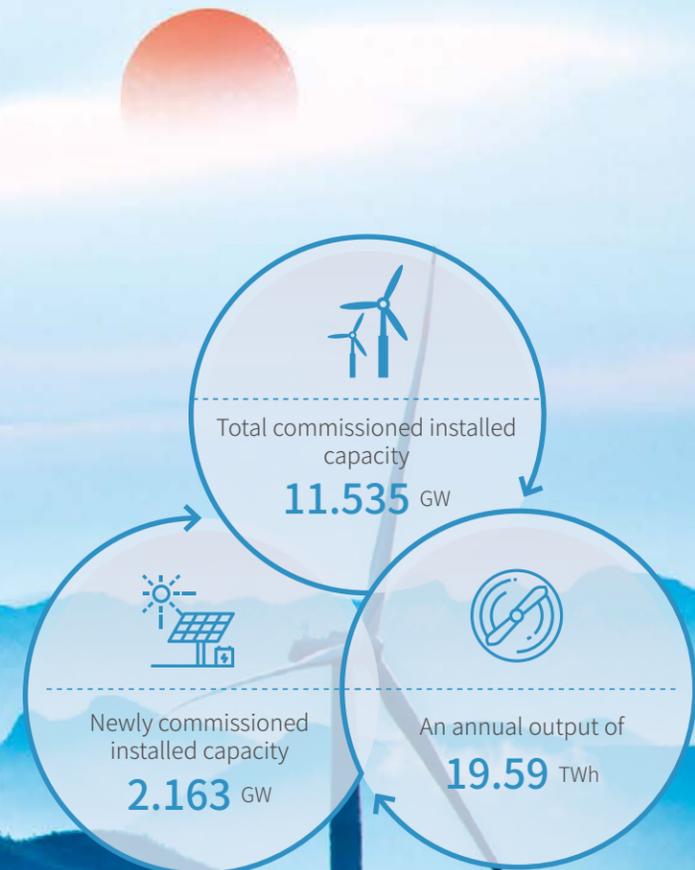
Chinese sturgeons about to be released into the Yangtze River



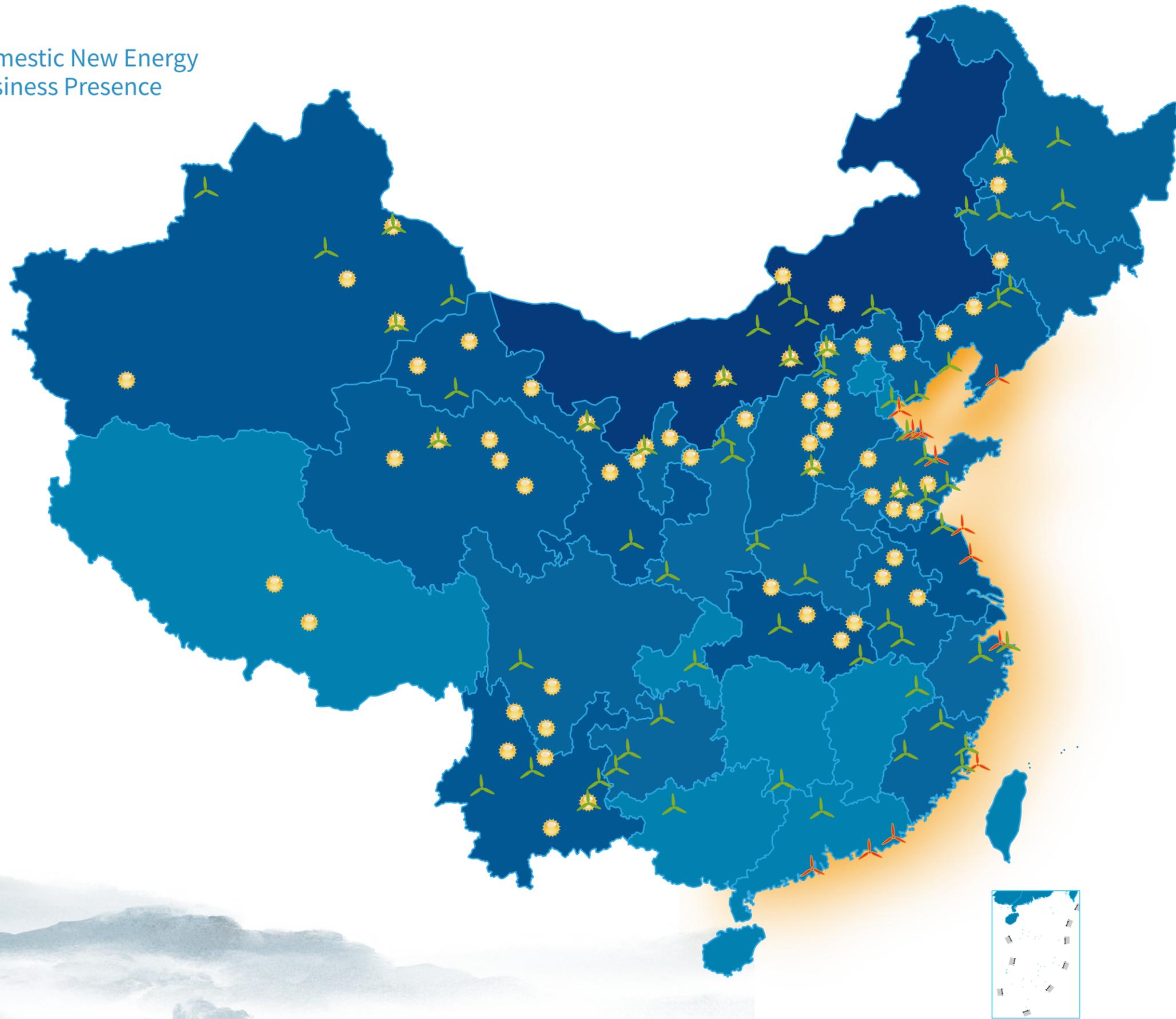
Heishui River Fish Habitat Restoration Project's first propagation and release event

Domestic New Energy Development

CTG further optimized its new energy business with improved quality and efficiency in 2019, and expanded its footprint to 31 provinces, autonomous regions, and municipalities directly under the Central Government. Newly commissioned installed capacity in 2019 exceeded 2GW, taking total installed capacity over 11GW, generating an historical high of 20TWh of power. New energy projects, affordable grid connectivity and competitive configuration amounted to 1.82GW. The availability of new energy equipment exceeded 98% while the curtailment of wind power/PV power and power rationing continued to ease off.



Domestic New Energy Business Presence



Offshore Wind Power Development (in MW)

- Projects with the right of development confirmed: nearly **10,000**
- Approved and awaiting construction: nearly **8,000**
- Construction commenced: over **600**
- Connected to the grid and in operation: over **800**

Installed Capacity

- Onshore Wind Power (Green wind turbine icon)
- Offshore Wind Power (Red wind turbine icon)
- Solar Power (Yellow sun icon)

Onshore Wind Power Development

CTG has been expanding its onshore wind power business, building on the advantages of clusters in Inner Mongolia and Xinjiang and optimizing its strategy with a focus on Central, Eastern and Southern China and ultra-high voltage facilities. Operational onshore wind power initiatives are spread across 23 provinces, districts and cities, including Inner Mongolia, Xinjiang and Yunnan, with a combined installed capacity of over 6,800MW operational by the end of 2019.

The onshore wind power initiatives in operation are spread across **23** provinces, districts and cities

An accumulated installed capacity of over **6,800**MW

Highlights	Minqing County, Fujian	Shanglian Wind Farm connected its first wind turbine to the grid for power generation. It was CTG's first onshore wind farm in Fujian to be put into operation.
	Qianjiang District, Chongqing	CTG won the bid for the 80 MW Wufuling Wind Farm in Qianjiang District of Chongqing, a groundbreaking move in Southeast China's competitive new energy market.
	Kangbao County, Hebei Province	The 150MW Laozhanggai wind power project is the largest independent wind farm being built by CTG's North China subsidiary.

Offshore Wind Power Development

To execute CTG's strategy of leading China's offshore wind power business, CTG plans to expand in coastal areas like Guangdong, Jiangsu, Liaoning, Tianjin, Shandong and Zhejiang, and shape the clustered and scaled development of offshore wind power. CTG acquired 18GW of new offshore wind power resources through 2019, including over 0.8GW of projects completed and put into operation and over 8.8GW of projects that are either under construction or are approved for commencement. These developments affirm CTG's leading offshore wind power position in China.

Over **18**GW of offshore wind power resources were in 2019

Over **0.8**GW of projects were completed and put into operation

Phase III of Zhuanghe Wind Farm in Dalian was scaled up and connected to the grid and commissioned

With China's first low-temperature 6.4MW large capacity wind turbine unit connected to the grid and commissioned in Dalian, Liaoning on January 19, 2019, the first offshore wind power project in northern China was put into commercial operation.

The world's second largest and APAC's largest 10MW offshore wind turbine rolled off the production line

The 10MW and 8MW offshore wind turbines jointly developed by CTG and Dongfang Electric Corporation and Goldwind Science & Technology Co., Ltd. respectively, rolled off the production line in Fujian Three Gorges Offshore Wind Power International Industrial Park on September 25, 2019, proof that China had mastered the technology for large capacity offshore wind power development and manufacturing.



Shanglian Wind Farm in Minqing County, Fujian



The ceremony held to mark APAC's largest 10MW wind turbine rolling off the production line

CTG hoists the upper component of the substation at the offshore wind farm in Xinghua Bay, Fuqing

CTG's Xinghua Bay Offshore Wind Farm mounted its first 220kV offshore substation in Fujian on September 29, 2019. It is the first substation to feature an offshore SVG dynamic reactive power compensation device in China. It boasts the highest density of integration and the largest single station in terms of size and weight in the country.



The pilot wind farm, comprising prototype equipment, at CTG's wind power project in Xinghua Bay, Fuqing

The first units of the Phase I of the wind power project in Yangjiang, Guangdong were connected to the grid.

The 1GW offshore wind farm in Yang Jiang, CTG's first wind power project in Guangdong, had its first batch of units connected to the grid and commissioned on November 29, 2019, a groundbreaking success for CTG in the province.



Offshore wind farm in Yangjiang, Guangdong

All the units of CTG's offshore wind farm in Dafeng, Jiangsu, were connected to the grid for power generation

All the units of CTG's offshore wind farm in Dafeng, Jiangsu, were connected to the grid for power generation in October 2019, the first of its kind in China in the following aspects.

- Applying soft connectors in 200kV 3-core submarine cables;
- Localizing the production of major electrical equipment for offshore substations;
- Deploying 6.45MW localized offshore wind turbines at scale.



The offshore wind farm in Dafeng, Jiangsu

Photovoltaic Business

CTG worked hard to diversify photovoltaic development through developing large-scale, concentrated PV power projects, promoting distributed PV+ power generation, and exploring concentrated solar power and other businesses. By connecting the dots, we established a basic roadmap for PV development in China, covering 19 provinces, districts and cities including Qinghai, Hubei, Hebei, Sichuan and Shandong. A total PV capacity of over 4,720MW was put into operation by the end of 2019.

- The PV project in Tongchuan, Shanxi, CTG's first PV forerunner project, was connected to the grid and commissioned. It showcases CTG's expertise and leading role in the future development of the industry.
- The PV forerunner project in Golmud, Qinghai Province, is the first to reach grid parity in China.
- Winning the bid of the PV forerunner project in Sihong, Jiangsu
- Winning the bid for PV forerunner project in Dalad Banner, Inner Mongolia



International Investment and Operations

To build a world-class clean energy multinational group in line with the company's "going global" strategy, and the Belt and Road initiative, CTG focused on coordinated planning, collaborating and sharing, advocating peace, cooperation, openness, inclusiveness, experience sharing and mutual benefits in the spirit of the ancient Silk Road. CTG actively engaged in global clean energy investment and development to promote the high-quality development of CTG's international business in 2019.

By the end of 2019, CTG business was present in 47 countries and regions around the globe, with more than RMB 147.45 billion of overseas assets. Its consolidated installed capacity for overseas markets exceeded 9,000MW.

CTG generated TWh of electricity overseas in 2019 with operating revenue of RMB 20.86 billion and total profit of RMB 4.69 billion.



International Business

35.21 TWh The annual power generation outside of China

RMB **20.86** billion Operating revenue

RMB **4.69** billion Total profit

Overseas investment

April 2019

CTG's Hubei Energy Group Co., Ltd. in a consortium with ACE Investment Fund and CNIC Corporation Limited closed a deal to purchase the Chaglla Hydropower Plant in Peru. It was Hubei Energy's first investment project overseas.

The deal was worth USD **0.69** billion

Hubei Energy owns **40%** of the asset



The ceremony where Peru's Chaglla Hydroelectric Power Plant transfers its equity to China Three Gorges Corporation (CTG).

March 2019

CTG closed a deal in March 2019 to take equity in the Kaleta Hydropower Plant in Guinea. Kaleta Hydropower Plant was featured on postage stamps to mark the 60th anniversary of diplomatic ties between China and Guinea in October. The project epitomizes friendship and cultural exchanges between the two countries.



Kaleta Hydropower Complex in Guinea



Kaleta Hydropower Plant was featured on postage stamps to mark the 60th anniversary of diplomatic ties between China and Guinea

September 2019

CTG won the bid to buy Luz del Sur Power Company (LDS), Peru's largest electricity distribution company. It was the largest overseas M&A deal completed by Chinese companies in 2019 and the largest electricity asset acquisition deal in the world over the past three years.

Acquired a **83.6%** stake in LDS

The transaction consideration: USD **3.59** billion



A meeting between CTG and LDS

Overseas Hydropower Station Operations

May 2019

Concrete work on the base of the Pakistani Karot hydropower plant's dam core wall was completed. The first generator seat ring was safely installed in July, laying a solid foundation for the subsequent installation of the turbine case.



The construction site of Karot hydropower plant

June 2019

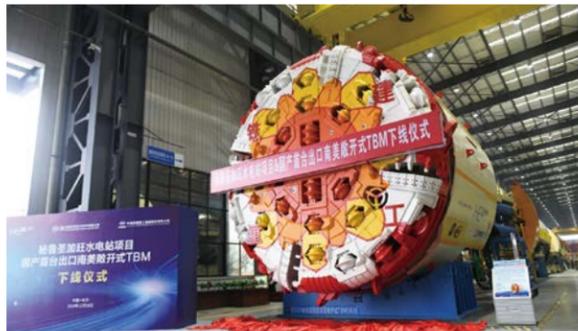
Four technically revamped power units at Jupia and Ilha Solteria hydropower plants in Brazil were successfully put into commercial operation, helping brand CTG as a global leading clean energy group operating in Brazil's energy industry.



Chinese and Brazilian engineers communicate with each other at the site of the technical revamp

December 2019

The San Gaban hydropower project's open-ended tunnel boring machine (TBM) and its accessories rolled off the production line.



TBM was rolled off the line at the San Gaban hydropower project

Brazilian Ilha Solteria Hydropower Plant



Installed capacity: **3,444** MW
12,960 GWh electricity generated in 2019

Brazilian Jupia Hydropower Plant



Installed capacity: **1,551** MW
7,550 GWh electricity generated in 2019

Nam Lik 2 Hydropower Station in Laos



Installed capacity: **180** MW
420 GWh of electricity was generated in 2019

Pakistan Wind Power Project



Installed capacity: **149** MW
370 GWh of electricity was generated in 2019

Germany's Meerwind offshore wind park



Installed capacity: **288** MW
1,160 GWh of electricity was generated in 2019

Guinea's Kaleta Hydropower Plant



Installed capacity: **235** MW
870 GWh of electricity generated in 2019

International Contracting

January 2019

Uganda Isimba Hydropower Station Project, with CTG as the contractor, commissioned all of its four power units. As the construction was completed, they were delivered for use in Uganda. This is another successful achievement in CTG's drive to take its hydropower expertise global.



Uganda Isimba Hydropower Station Project

December 2019

The Souapiti Water Conservancy Project in Guinea, undertaken by CTG's China International Water & Electric Corp. (CWE), hoisted the stator for its No.1 power generator. Souapiti Water Conservancy Project West Africa's "Three Gorges" and currently the largest civil project for the well-being of people in the country. The hoisting of the stator into place laid a solid foundation for achieving the goal of commissioning the project in 2020.



The stator for Guinea's Souapiti Water Conservancy Project's first power generator was hoisted into place.

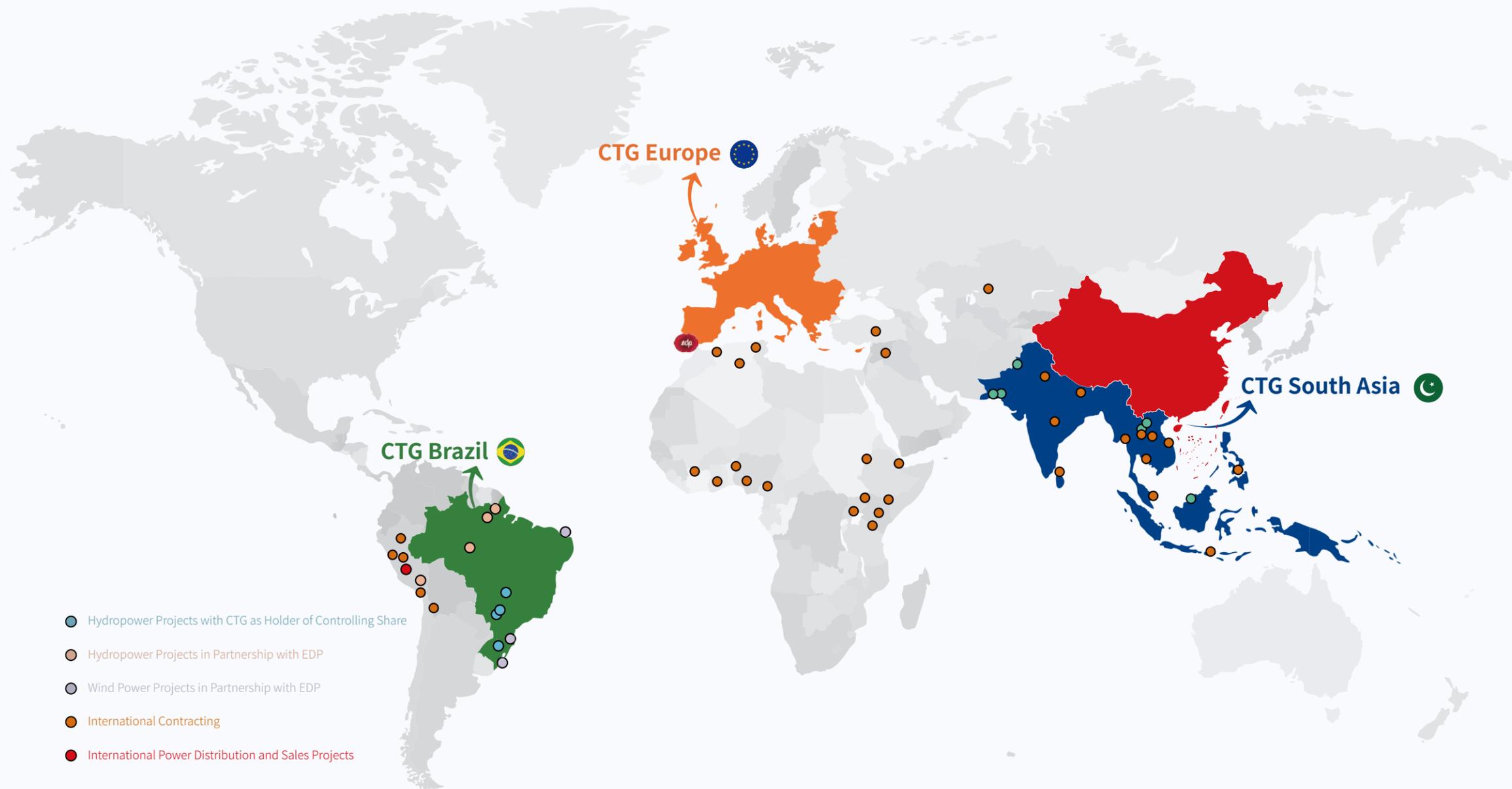
December 2019

China International Water & Electric Corp. (CWE), a subsidiary of CTG, installed the turbine case on the seat ring for the first power unit of Nam Lik 2 Hydropower Station in Laos.



Nam Lik 2 Hydropower Station in Laos installs the turbine case on the seat ring of its first power unit

Global Business Presence



- Hydropower Projects with CTG as Holder of Controlling Share
- Hydropower Projects in Partnership with EDP
- Wind Power Projects in Partnership with EDP
- International Contracting
- International Power Distribution and Sales Projects

Our international contracting business extends to Asia, Africa, Europe and the Americas. The projects under construction are located mainly in Laos, Guinea, Ghana, Sudan, Uganda, Kenya and Peru.



CTG Brazil

Brazil is the key market for CTG Brazil, which is the country's third-largest power company.



CTG Europe

Focus on the European market, CTG Europe invests in Europe and North America and serves as EDP's single largest shareholder. It joined EDP in establishing Hydro-Global to co-develop small and medium-sized hydropower units, with a focus on the Peruvian market.



CTG South Asia

CTG South Asia focuses on Asia as a key market. Many of CTG South Asia's projects have been incorporated into the framework of the China-Pakistan Economic Corridor.

International Exchange and Cooperation

With the aim of becoming a world-class multinational clean energy group, CTG improved and expanded its international exchanges in 2019. We learned leading global concepts, tools and best practices to enhance the management of our overseas operations. Furthermore, CTG played a leading role in the industry by attending important international conferences and improved its global impact as an international company.

February 2019

Lei Mingshan, CTG's chairman, held cooperation talks with António Mexia, CEO of EDP, an electric company in Portugal, and his delegation. They held in-depth discussion on further deepening cooperation, developing third-party markets and new technology applications.



Cooperation talks between CTG and EDP

April 2019

Premier Li Keqiang inaugurated the China Chamber of Commerce to the EU (CCCEU) in Brussels. Wang Lin, CTG President, attended the unveiling ceremony representing CTG as the Vice President Entity of CCCEU. CCCEU is a non-profit organization jointly founded by Bank of China, CTG and China COSCO Shipping Corporation Limited with the support of the Ministry of Commerce of China and the Chinese Mission to the European Union.



The unveiling ceremony of the European Union Chamber of Commerce in China

June 2019

The 87th Annual Conference of the International Commission on Large Dams (ICOLD) was held in Ottawa, Canada, where CTG's representatives discussed further cooperation with the company's counterparts from different countries to improve CTG's global impact and voice. CTG participates in the operations of three technical committees and leads two of them under ICOLD.



A scene from the 87th Annual Conference of the International Commission on Large Dams

May 2019

The World Hydropower Congress 2019 was successfully held in Paris, where CTG's representatives delivered speeches introducing CTG's business development in various fields, discussed the future development of hydropower as well as the challenges and opportunities we face, and contributed their insights for the sustainable development of hydropower.



A scene from the World Hydropower Congress 2019

September 2019

Lei Mingshan, CTG Chairman, attended the BRICS Business Forum. CTG is the third largest power company by installed capacity in Brazil, one of the BRICS countries. CTG Brazil serves as an important force in CTG's overseas strategy and supports economic development in BRICS countries through its concrete actions.



BRICS Business Forum

November 2019

CTG co-hosted the 2019 Global Energy Interconnection and China-Africa Energy and Power Conference in Beijing, where Wang Lin, President of CTG, delivered a keynote speech titled, "Dedicated to the Development of Clean Energy and Empowering Green Development in Africa".



2019 Global Energy Interconnection and China-Africa Energy and Power Conference

Investment and Finance

Throughout the year, CTG achieved steady growth in investment and its finances, with investment income reaching RMB 11.11 billion, a year-on-year increase of 17.3% and a record-breaking RMB 113.68 billion in international financing.

June 2019

China Three Gorges Finance and Leasing Co., Ltd. launched the first offshore wind farm direct leasing business.

China Three Gorges Finance and Leasing Co., Ltd. invested RMB 272 million in the 300MW Yangxi Shapa offshore wind farm in Yangjiang, Guangdong, owned by China Three Gorges Renewables (Group) Co., Ltd. It was the company's first offshore wind farm direct leasing deal and its first finance and leasing project.



Offshore wind farm in Yangjiang, Guangdong

June 2019

Three Gorges Capital Holdings Co., Ltd. joined Dongfang Electric Investment Management Co., Ltd. and Chengdu Venture Capital Investment Co., Ltd. to found the Dongfang Electric Hydrogen Energy Industry Fund

Three Gorges Capital Holdings Co., Ltd., Dongfang Electric Investment Management Co., Ltd. and Chengdu Venture Capital Investment Co., Ltd. signed a contract in Beijing to found Dongfang Three Gorges (Chengdu) Industry Fund Management Co., Ltd. and launch the Dongfang Electric Hydrogen Energy Industry Fund. It is part of Three Gorges Capital Holdings Co., Ltd.'s drive to incubate new business that supports clean energy development, CTG's major business.



Dongfang Three Gorges (Chengdu) Industry Fund Management Co., Ltd. launches the Dongfang Electric Hydrogen Energy Industry Fund

July 2019

Three enterprises Three Gorges Capital Holdings Co., Ltd. invested in have been listed on the science and technology innovation board

China's science and technology innovation board (STAR market) of the Shanghai Stock Exchange, debuted with a first batch of 25 companies listing on it. Among them, were three companies, Beijing Tianyishangjia, Montage Technology and ArcSoft, which had received investment from Three Gorges Capital Holdings Co., Ltd. through its lead management funds or equity participation funds.

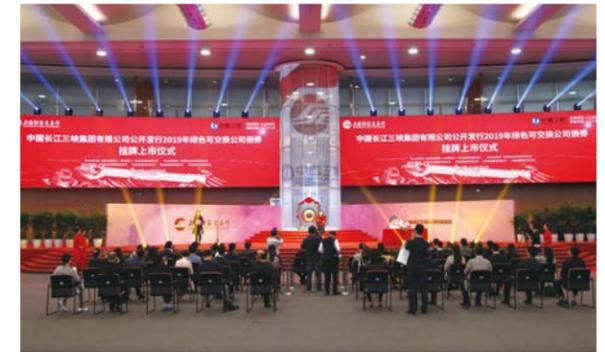


The first batch of companies starts trading at Shanghai Stock Exchange's Science and Technology Innovation Board, or STAR Market

April 2019

CTG issued its first and largest exchangeable green bonds

CTG issued five-year RMB 20 billion exchangeable green bonds, with the conversion target being China Yangtze Power Co., Ltd. at an initial price of RMB 18.8 per share on a five-year term. With a coupon rate of 0.50%, it set a new record low interest rate for publicly traded exchangeable bonds. No less than 70% of the proceeds are intended for the construction of the two major hydropower plants: Wudongde and Baihetan.



CTG issued exchangeable green bonds

October 2019

CTG completed a USD 850 million mid- to long-term bonds issuance

CTG completed a USD 850 million mid- to long-term Reg S bonds issuance, including the 5-year, USD 500 million bond with a coupon rate of 2.4% and the 30-year, USD 350 million bond with a coupon rate of 3.2%. The weighted combined interest rate for both is 2.7% and the weighted combined term is 15.3 years. The proceeds will mainly be used to replace the bridging loan for the Chaglla project in Peru. Through the issuance, CTG further improved its yield curve in overseas markets, extended the maturities of its debt and maintained good pricing levels, demonstrating the strength of CTG in international capital markets.

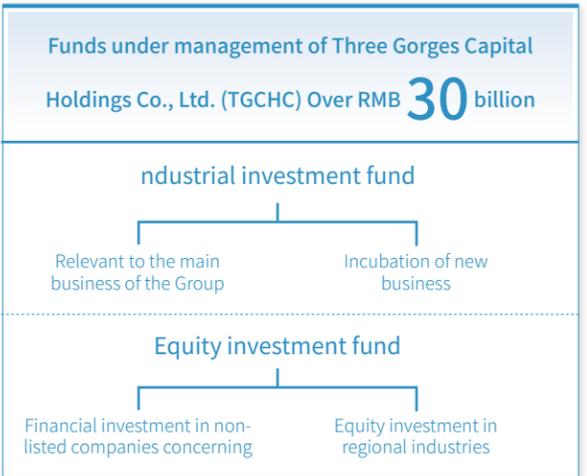
March 2019

CTG acquired a stake in Beijing Enterprises Water Group Limited

CTG and Beijing Enterprises Group Company Limited signed an agreement in Beijing to further cooperate and promote the Yangtze River protection initiative. CTG accumulated a 8.4% stake in Beijing Enterprises Water Group Limited as of the end of December 2019.



CTG and Beijing Enterprises Group Company Limited signed an agreement to further cooperate



Financial Indicators



Auditor's Report

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	ShineWing certified public accountants	9/F, Block A, Fu Hua Mansion, No. 8, Chaoyangmen Beidajie, Dongcheng District, Beijing, 100027, P.R. China	传真: +86(010)6554 7190 facsimile: +86(010)6554 7190

Auditor's Report

XYZH/2020BJA30601

To China Three Gorges Corporation

1. Opinion

We have audited the financial statements of China Three Gorges Corporation (hereinafter referred to as the "Three Gorges Corporation"), which comprise the consolidated and parent company's balance sheet as at December 31, 2019, the consolidated and parent company's income statement, the consolidated and parent company's cash flow statement and the consolidated and parent company's statement of changes in owners' equity for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements of Three Gorges Corporation present fairly, in all material respects, the consolidated and parent company's financial position as at December 31, 2019, the consolidated and parent company's results of operations and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

2. Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing for Chinese Certified Public Accountants. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of Three Gorges Corporation in accordance with the Code of Ethics for Chinese Certified Public Accountants, and we have fulfilled our other ethical responsibilities of the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accuracy of operating cost	
Key Audit Matter	Summary of the Audit Approach
As refer to Notes VIII. 50 to the consolidated financial statements, Three Gorges Corporation recognized RMB 49.30 billion of operating cost during the year 2019 which mainly consists of the generating electricity cost, which amounting to RMB 33.71 billion.	Our audit procedures included, among others: --Attending and performing stocktaking of the fixed assets. --Examining the accuracy of ownership and classification of the fixed assets. --Examining the validity of the increase or decrease of the fixed assets, as well as the accuracy of accounting treatments including interest capitalization, etc.
The generating electricity cost of Three Gorges Corporation mainly consists of depreciation cost of fixed assets and financial levies, etc. which have significant impacts on financial statements.	--Recalculating the accuracy of fixed assets depreciation and financial levies included in operating costs. --Performing analytical review on the reasonableness of the operating cost for the current and prior years and obtaining sufficient audit evidence if there exist abnormality.
Accordingly, we identify the operating cost as the key audit matter.	--Assessing the appropriateness on the disclosure of Three Gorges Corporation's operating cost.

4. Other Information

The management of Three Gorges Corporation (hereinafter referred to as the "Management") is responsible for other information. Other information comprises the information included in the Three Gorges Corporation 2019 annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

5. Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Management is responsible for the preparation of the financial statements in accordance with Accounting Standards for Business Enterprises to achieve fair presentation; and designing, implementing and maintaining internal control which is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing Three Gorges Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate Three Gorges Corporation or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible to overseeing Three Gorges Corporation's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are generally considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

During the course of audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism. We also carry out the following works:

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(2) Obtain an understanding of internal control relevant to the audit 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 its internal control.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

(4) Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Three Gorges Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements in accordance with the auditing standards or, if such disclosures are inadequate, we shall modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Three Gorges Corporation to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, and also whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Three Gorges Corporation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance audit of the group. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, etc., including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with those relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and related safeguards, where applicable.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation prohibited public disclosure about the matter or when, in rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.


 ShineWing Certified Public Accountants LLP

April 28, 2020

The English translation is prepared for reference only. Should there be any inconsistency, the Chinese version shall prevail.

Main Financial Indicators

Item	2015	2016	2017	2018	2019
Total assets (RMB billion)	563.37	660.06	700.90	750.41	837.83
Equity attributable to parent company (RMB billion)	245.99	268.95	279.29	290.27	305.24
Operating revenue (RMB billion)	63.52	78.31	90.00	93.94	99.26
Net profit (RMB billion)	28.82	23.92	34.30	35.26	35.22
Ratio of costs and expenses to revenue (%)	63.1	62.6	64.0	65.3	66.1
EBITDA (RMB billion)	50.39	61.84	65.88	64.77	66.61
Return on owner's equity (%)	9.9	7.3	9.5	9.2	8.6
Interest-bearing net debt (RMB billion)	147.04	191.23	223.73	246.85	301.00
EBITDA interest coverage (X)	7	6.0	6.2	5.3	5.1
Interest-bearing net debt / EBITDA (X)	2.9	3.1	3.4	3.8	4.5
Total interest-bearing liabilities / Total assets (%)	34.8	36.0	37	38.4	41.2
Asset liability ratio (%)	45.08	46.9	47.0	47.3	49.6

Financial Statements

Consolidated Balance Sheet

December 31, 2019

Item	Note VIII	As at December 31, 2019	As at December 31, 2018
Company Name: China Three Gorges Corporation Unit: RMB			
Current assets:			
△ Cash at bank and on hand	1	44,502,215,100.32	41,683,686,295.76
△ Settlement reserve			
△ Due from banks and other financial institutions	2		1,485,000,000.00
☆ Financial assets held for trading			
△ Financial assets at fair value through profit or loss	3	4,258,641,412.70	1,515,541,485.50
△ Derivative financial assets			
Notes receivable	4	408,929,953.49	491,469,979.10
Accounts receivable	5	21,956,092,778.86	17,613,224,999.02
☆ Receivables financing			
Advances to suppliers	6	5,780,999,182.41	4,273,749,577.37
△ Premiums receivable			
△ Reinsurance premium receivable			
△ Reserve receivable for reinsurance contract			
Other receivables	7	2,146,351,038.46	1,838,276,555.50
△ Financial assets purchased under agreements to resell			
Inventories	8	1,195,428,505.20	1,390,397,315.54
Including: Raw materials		593,266,975.88	735,158,580.41
Merchandise stocks (Finished goods)		58,885,817.45	144,197,529.35
☆ Contractual assets			
Held-for-sale assets			
Non-current assets due within one year	9	1,259,462,146.00	267,851,980.45
Other current assets	10	2,264,946,699.69	4,238,029,489.45
Total current assets		83,773,066,817.13	74,797,227,677.69
Non-current assets:			
△ Loans and advances		481,184,520.00	
☆ Debt investments			
Available-for-sale financial assets	11	55,166,206,700.21	77,666,059,384.11
☆ Other debt investments			
Held-to-maturity investments	12	10,000,000.00	10,000,000.00
Long-term receivables	13	22,055,281,020.22	16,915,209,254.72
Long-term equity investments	14	107,301,631,782.92	75,359,985,766.08
☆ Other equity instruments investments			
☆ Other non-current financial assets			
Investment properties	15	1,590,228,815.34	1,265,200,697.09
Fixed assets	16	331,944,719,758.90	321,230,723,746.39
Construction in progress	17	169,937,029,452.47	129,457,069,963.44
Productive biological assets			
Oil and gas assets			
☆ Right-of-use assets			
Intangible assets	18	29,595,860,471.08	21,415,373,901.56
Development expenditures	19	1,706,161.02	310,377.36
Goodwill	20	7,018,866,323.15	6,645,089,872.20
Long-term deferred expenses	21	331,647,149.21	316,524,077.04
Deferred tax assets	22	13,996,239,539.88	12,790,123,564.54
Other non-current assets	23	14,624,024,815.64	12,536,543,919.59
Including: Authorized reserve asset			
Total non-current assets		754,054,626,510.04	675,608,214,524.12
Total assets		837,827,693,327.17	750,405,442,201.81

Notes: *Items for use in consolidation; △Items for financial entities only.

Consolidated Balance Sheet (Continued)

December 31, 2019

Item	Note VIII	As at December 31, 2019	As at December 31, 2018
Company Name: China Three Gorges Corporation Unit: RMB			
Current liabilities:			
△ Short-term borrowings	25	12,976,697,832.67	15,545,393,831.85
△ Borrowings from central bank			
△ Placements from banks and other financial institutions			
☆ Financial liabilities held for trading			
△ Financial liabilities at fair value through profit or loss	26	768,403,141.10	492,164,591.91
△ Derivative financial liabilities	27	242,699,565.00	373,566,006.00
Notes payable	28	1,837,443,162.06	2,079,149,242.47
Accounts payable	29	15,532,986,768.04	11,966,793,641.69
Advances from customers	30	2,259,929,789.98	2,824,640,099.10
☆ Contractual liabilities			
△ Financial assets sold under agreements to repurchase			
△ Deposits from customers, banks and other financial institutions	31	2,147,641,436.99	977,950,646.99
△ Securities brokering			
△ Securities underwriting			
Employee benefits payable	32	847,154,641.18	803,696,964.45
Including: Salaries payable		475,614,381.49	475,369,243.57
Welfare payable			
#Including: Employee bonus and welfare funds			
Taxes payable	33	4,220,111,025.82	4,870,838,200.47
Including: Accrued tax		4,182,537,339.10	4,839,067,505.62
Other payables	34	32,014,769,155.66	31,612,612,342.73
△ Fees and commissions payable			
△ Reinsurance accounts payable			
Held-for-sale liabilities			
Non-current liabilities due within one year	35	29,336,097,030.23	24,697,914,733.74
Other current liabilities	36	16,836,832,306.70	12,632,079,825.72
Total current liabilities		119,020,765,855.43	108,876,800,127.12
Non-current liabilities:			
△ Reserve of insurance contract			
Long-term borrowings	37	102,123,373,710.97	86,760,372,007.00
Bonds payable	38	181,578,835,360.44	147,434,905,533.90
Including: Preferred shares			
Perpetual bonds			
☆ Lease liabilities			
Long-term payables	39	3,305,046,468.17	1,323,280,665.91
Long-term employee benefits payable	40	47,035,799.32	50,406,716.89
Provisions	41	3,158,648,608.69	4,441,011,930.65
Deferred income	42	466,338,558.20	1,543,062,912.65
Deferred tax liabilities	22	5,500,023,802.79	4,198,580,771.93
Other non-current liabilities	43	164,367,044.08	124,507,958.51
Including: Authorized reserve fund			
Total non-current liabilities		296,343,669,352.66	245,876,128,497.44
Total liabilities		415,364,435,208.09	354,752,928,624.56
Owners' equity:			
Paid-in capital	44	211,781,023,501.31	211,781,023,501.31
State-owned capital		211,781,023,501.31	211,781,023,501.31
Capital from state-owned legal body			
Collective capital			
Private capital			
Foreign capital			
#Less: Payback capital			
Net paid-in capital		211,781,023,501.31	211,781,023,501.31
Other equity instruments	45	1,564,056,827.76	
Including: Preferred shares			
Perpetual bonds			
Capital reserve	46	25,418,082,331.60	26,044,520,162.74
Less: Treasury shares			
Other comprehensive income	65	-3,060,821,271.44	-2,895,016,096.94
Including: Foreign currency translation differences		-4,949,791,812.02	-4,425,410,026.97
Special reserve	47	1,162,164.76	476,078.01
Surplus reserve	48	27,595,482,809.04	26,223,762,763.94
Including: Statutory surplus reserve		17,016,632,458.09	15,644,912,412.99
Discretionary surplus reserve		10,577,301,325.08	10,577,301,325.08
#Reserve fund			
#Enterprise development fund			
#Return of investment			
△ General risk provision			
Retained earnings	49	41,937,005,301.53	29,113,249,051.83
Total owner's equity attributable to parent company		305,235,991,664.56	290,268,015,460.89
* Non-controlling interests		117,227,266,454.52	105,384,498,116.36
Total owners' equity		422,463,258,119.08	395,652,513,577.25
Total liabilities and owners' equity		837,827,693,327.17	750,405,442,201.81

Notes: *Items for use in consolidation; △Items for financial entities only.

Balance Sheet of the Company

December 31, 2019

Item	Note XIII	As at December 31, 2019	As at December 31, 2018
Company Name: China Three Gorges Corporation Unit: RMB			
Current assets:			
△ Cash at bank and on hand		40,071,796,609.21	34,512,241,575.16
△ Settlement receivable			
△ Due from banks and other financial institutions			
☆ Financial assets held for trading			
△ Financial assets at fair value through profit or loss			
Derivative financial assets			
Notes receivable			
Accounts receivable			
☆ Receivables financing			
Advances to suppliers		119,461,460.04	143,243,417.47
△ Premiums receivable			
△ Reinsurance premium receivable			
△ Reserve receivable for reinsurance contract			
Other receivables	1	939,245,543.59	965,269,513.96
△ Financial assets purchased under agreements to resell			
Inventories			
Including: Raw materials			
Merchandise stocks (Finished goods)			
☆ Contractual assets			
Held-for-sale assets			
Non-current assets due within one year		5,525,000,000.00	16,941,354,188.52
Other current assets		14,930,793,243.00	8,191,755,489.32
Total current assets		61,586,296,855.84	60,753,864,184.43
Non-current assets:			
△ Loans and advances			
☆ Debt investments			
Available-for-sale financial assets		17,145,506,648.70	24,564,809,151.23
☆ Other debt investments			
Held-to-maturity investments		28,000,000.00	28,000,000.00
Long-term receivables		21,232,945,436.94	34,632,945,436.94
Long-term equity investments	2	185,827,333,227.66	169,214,113,182.63
☆ Other equity instruments investments			
☆ Other non-current financial assets			
Investment properties			
Fixed assets		27,663,039,573.41	28,879,442,978.61
Construction in progress		575,696,683.94	442,695,000.06
Productive biological assets			
Oil and gas assets			
☆ Right-of-use assets			
Intangible assets		404,666,514.01	409,368,189.60
Development expenditures			
Goodwill			
Long-term deferred expenses			
Deferred tax assets		1,059,386,343.71	717,215,889.79
Other non-current assets		114,538,811,899.43	88,096,305,202.51
Including: Authorized reserve asset			
Total non-current assets		368,475,386,327.80	346,984,895,031.37
Total assets		430,061,683,183.64	407,738,759,215.80

Notes: *Items for use in consolidation; △Items for financial entities only.

Balance Sheet of the Company (Continued)

December 31, 2019

Item	Note XIII	As at December 31, 2019	As at December 31, 2018
Company Name: China Three Gorges Corporation Unit: RMB			
Current liabilities:			
Short-term borrowings		4,000,000,000.00	6,250,000,000.00
△ Borrowings from central bank			
△ Placements from banks and other financial institutions			
☆ Financial liabilities held for trading			
Financial liabilities at fair value through profit or loss		1,457,263,598.14	
Derivative financial liabilities			
Notes payable			
Accounts payable		102,301,327.54	117,960,109.89
Advances from customers		4,914,285.71	10,184,135.60
☆ Contractual liabilities			
△ Financial assets sold under agreements to repurchase			
△ Deposits from customers, banks and other financial institutions			
△ Securities brokering			
△ Securities underwriting			
Employee benefits payable		357,255,344.61	353,458,400.87
Including: Salaries payable		321,264,872.28	321,264,872.28
Welfare payable			
#Including: Employee bonus and welfare funds			
Taxes payable		166,810,590.03	946,251,410.18
Including: Accrued tax		163,907,263.11	945,665,275.00
Other payables		4,142,914,743.10	6,516,377,111.57
△ Fees and commissions payable			
△ Reinsurance accounts payable			
Held-for-sale liabilities			
Non-current liabilities due within one year		16,843,365,937.36	18,158,120,468.04
Other current liabilities		4,496,731,499.09	5,993,639,054.02
Total current liabilities		31,571,557,325.58	38,345,990,690.17
Non-current liabilities:			
△ Reserve of insurance contract			
Long-term borrowings		47,547,720,248.00	42,803,428,432.00
Bonds payable		80,733,386,143.30	59,352,994,436.80
Including: Preferred shares			
Perpetual bonds			
☆ Lease liabilities			
Long-term payables		13,274,149.52	34,522,439.77
Long-term employee benefits payable			
Provisions			
Deferred income		74,130,000.00	1,186,589,477.81
Deferred tax liabilities		1,189,781,272.04	1,232,660,478.46
Other non-current liabilities			
Including: Authorized reserve fund			
Total non-current liabilities		129,558,291,812.86	104,610,195,264.84
Total liabilities		161,129,849,138.44	142,956,185,955.01
Owners' equity:			
Paid-in capital		211,781,023,501.31	211,781,023,501.31
State-owned capital		211,781,023,501.31	211,781,023,501.31
Capital from state-owned legal body			
Collective capital			
Private capital			
Foreign capital			
#Less: Payback capital			
Net paid-in capital		211,781,023,501.31	211,781,023,501.31
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserve		8,412,846,116.48	8,174,651,618.73
Less: Treasury shares			
Other comprehensive income		1,401,610,166.00	1,522,213,495.09
Including: Foreign currency translation differences			
Special reserve			
Surplus reserve		28,007,347,067.64	26,670,471,326.06
Including: Statutory surplus reserve		17,430,045,742.56	16,093,170,000.98
Discretionary surplus reserve		10,577,301,325.08	10,577,301,325.08
#Reserve fund			
#Enterprise development fund			
#Return of investment			
△ General risk provision			
Retained earnings		19,329,007,193.77	16,634,213,319.60
Total owner's equity attributable to parent company		268,931,834,045.20	264,782,573,260.79
* Non-controlling interests			
Total owners' equity		268,931,834,045.20	264,782,573,260.79
Total liabilities and owners' equity		430,061,683,183.64	407,738,759,215.80

Notes: *Items for use in consolidation; △Items for financial entities only.

Consolidated Income Statement

For the year ended December 31, 2019

Company Name: China Three Gorges Corporation		Unit: RMB	
Item	Note VIII	Year ended December 31, 2019	Year ended December 31, 2018
I. Total operating revenue		99,255,158,575.95	93,937,775,074.52
Including: Operating revenue	50	98,525,720,192.29	93,112,455,464.71
△ Interest income	51	726,467,353.49	823,605,465.53
△ Premium earned			
△ Fees and commissions income	52	2,971,030.17	1,714,144.28
II. Total operating cost		65,638,420,027.37	61,334,870,846.19
Including: Operating cost	50	49,262,989,201.46	44,572,421,859.36
△ Interest expenses	51	30,214,456.55	33,756,970.48
△ Fees and commissions expenses	52	3,027,370.40	3,059,981.09
△ Cash surrender amount			
△ Net expenses of claim settlement			
△ Net provisions for insurance liability reserves			
△ Policy dividend expenses			
△ Reinsurance expenses			
Taxes and surcharges		2,321,084,217.87	2,575,028,439.33
Selling and distribution expenses	53	123,229,923.06	122,746,864.24
General and administrative expenses	54	4,232,839,638.34	3,847,115,369.77
Research and development expenses	55	224,308,010.29	121,799,222.97
Financial expenses	56	9,440,727,209.40	10,058,942,138.95
Including: Interest expenses		8,820,489,888.03	9,478,207,697.36
Interest income		449,267,585.52	438,992,092.16
Net exchange losses (net gains to be listed with "-")		113,865,263.30	347,640,301.74
Others			
Add: Other income	57	2,554,959,058.84	1,860,644,417.77
Investment income (loss to be presented with "-")	58	8,770,019,481.68	9,472,256,393.55
Including: Investment income from associates and joint ventures		5,088,935,773.83	3,445,015,457.44
☆ Gains on derecognition of financial assets at amortized cost			
△ Gain on foreign exchange (loss to be presented with "-")		8,906.60	17,023.87
☆ Net exposure to hedging gains (loss to be presented with "-")			
Gain from changes in fair value (loss to be presented with "-")	59	-218,046,373.43	26,475,064.65
☆ Loss on impairment of credits (loss to be listed with "-")			
Loss on impairment of assets (loss to be listed with "-")	60	-68,475,829.79	-1,129,503,352.18
Gains on disposal of assets (loss to be presented with "-")	61	20,986,972.42	12,711,298.36
III. Operating profit (loss to be presented with "-")		44,676,190,764.90	42,845,505,074.35
Add: Non-operating income	62	2,454,761,271.28	163,348,069.21
Including: Government grants		55,998,400.32	30,127,372.32
Less: Non-operating expenses	63	3,587,642,822.64	645,673,768.83
IV. Profit before taxes (loss to be presented with "-")		43,543,309,213.54	42,363,179,374.73
Less: Income tax expenses	64	8,326,581,396.19	7,101,486,871.76
V. Net profit (net loss to be presented with "-")		35,216,727,817.35	35,261,692,502.97
(I) Classified according to attribution of the ownership			
Attributable to the owners of parent company		23,532,564,094.80	24,154,638,151.13
*Attributable to non-controlling interests		11,684,163,722.55	11,107,054,351.84
(II) Classified according to operating continuity			
Profit or loss from continuous operation		35,216,727,817.35	35,261,692,502.97
Profit or loss from termination of operation			
VI. Other comprehensive income after tax		-133,139,797.39	-8,590,715,100.71
Other comprehensive income attributable to the owners of parent company (net of tax)	65	-165,805,174.50	-6,554,590,785.72
(I) Other comprehensive income not to be reclassified as profit or loss		-136,319,038.29	-101,201,276.59
1. Changes in remeasured defined benefit obligations or net assets		438,442.08	889,326.43
2. Portion of other comprehensive income not to be reclassified as profit or loss under equity method		-136,757,480.37	-102,090,503.02
☆3 Change in fair value of investment from other equity instruments			
☆4 Change in fair value of the company's credit risk			
5. Others			
(II) Other comprehensive income to be reclassified as profit or loss		-29,486,136.21	-6,453,389,509.13
1. Portion of other comprehensive income to be reclassified as profit or loss under equity method		157,346,355.13	-414,512,212.50
☆2 Change in fair value of other debt instruments			
3. Gain or loss from changes in fair value of available-for-sale financial assets		297,342,494.76	-3,029,563,375.45
☆4 Financial assets that can be reclassified as other comprehensive income			
5. Gain or loss from reclassification held-to-maturity investments to available-for-sale financial assets			
☆6 Credit impairment provision from other debt investments			
7. Gain or loss on effective cash flow hedge		40,206,798.95	2,980,675.74
8. Translation differences of financial statements in foreign currencies		-524,381,785.05	-3,012,294,596.92
9. Others			
*Other comprehensive income attributable to non-controlling interests (net of tax)		32,665,377.11	-2,036,124,314.99
VII. Total comprehensive income		35,083,588,019.96	26,670,977,402.26
Total comprehensive income attributable to the owners of parent company		23,366,758,920.30	17,600,047,365.41
*Total comprehensive income attributable to non-controlling interests		11,716,829,099.66	9,070,930,036.85
VIII. Earnings per share:			
(I) Basic earnings per share			
(II) Diluted earnings per share			

Notes: *Items for use in consolidation; △Items for financial entities only.

Income Statement of the Company

For the year ended December 31, 2019

Company Name: China Three Gorges Corporation		Unit: RMB	
Item	Note XIII	Year ended December 31, 2019	Year ended December 31, 2018
I. Total operating revenue		431,435,128.77	457,232,302.08
Including: Operating revenue	3	431,435,128.77	457,232,302.08
△ Interest income			
△ Premium earned			
△ Fees and commissions income			
II. Total operating cost		8,376,822,300.76	7,762,822,256.40
Including: Operating cost	3	330,952,944.47	329,509,887.93
△ Interest expenses			
△ Fees and commissions expenses			
△ Cash surrender amount			
△ Net expenses of claim settlement			
△ Net provisions for insurance liability reserves			
△ Policy dividend expenses			
△ Reinsurance expenses			
Taxes and surcharges		78,622,277.49	127,356,899.42
Selling and distribution expenses			297,080.28
General and administrative expenses		2,143,814,524.83	1,559,061,838.12
Research and development expenses		171,431,085.62	73,201,754.35
Financial expenses		5,652,001,468.35	5,673,394,796.30
Including: Interest expenses		5,906,703,189.51	5,558,359,648.71
Interest income		377,099,397.69	162,041,921.20
Net exchange losses (net gains to be listed with "-")		91,674,730.40	262,779,663.81
Others			
Add: Other income		2,414,596,651.46	984,013,574.14
Investment income (loss to be presented with "-")	4	20,310,225,793.88	18,404,508,801.25
Including: Investment income from associates and joint ventures		738,327,402.56	357,066,681.89
☆ Gains on derecognition of financial assets at amortized cost			
△ Gain on foreign exchange (loss to be presented with "-")			
☆ Net exposure to hedging gains (loss to be presented with "-")			
Gain from changes in fair value (loss to be presented with "-")		106,793,229.62	
☆ Loss on impairment of credits (loss to be listed with "-")			
Loss on impairment of assets (loss to be listed with "-")		-23,305,757.72	-19,325,158.88
Gains on disposal of assets (loss to be presented with "-")		9,871,970.60	6,239,651.38
III. Operating profit (loss to be presented with "-")		14,872,794,715.85	12,069,846,913.57
Add: Non-operating income		1,100,927,996.46	12,069,035.11
Including: Government grants		886,735.46	11,922,956.93
Less: Non-operating expenses		3,078,812,784.44	137,645,049.58
IV. Profit before taxes (loss to be presented with "-")		12,894,909,927.87	11,944,270,899.10
Less: Income tax expenses		473,847,487.88	808,584,015.78
V. Net profit (net loss to be presented with "-")		13,368,757,415.75	11,135,686,883.32
(I) Classified according to attribution of the ownership			
Attributable to the owners of parent company		13,368,757,415.75	11,135,686,883.32
*Attributable to non-controlling interests			
(II) Classified according to operating continuity			
Profit or loss from continuous operation		13,368,757,415.75	11,135,686,883.32
Profit or loss from termination of operation			
VI. Other comprehensive income after tax		-120,603,329.09	-1,886,497,827.26
Other comprehensive income attributable to the owners of parent company (net of tax)		-120,603,329.09	-1,886,497,827.26
(I) Other comprehensive income not to be reclassified as profit or loss			
1. Changes in remeasured defined benefit obligations or net assets			
2. Portion of other comprehensive income not to be reclassified as profit or loss under equity method			
☆3 Change in fair value of investment from other equity instruments			
☆4 Change in fair value of the company's credit risk			
5. Others			
(II) Other comprehensive income to be reclassified as profit or loss		-120,603,329.09	-1,886,497,827.26
1. Portion of other comprehensive income to be reclassified as profit or loss under equity method		-42,385,376.41	-23,490.63
☆2 Change in fair value of other debt instruments			
3. Gain or loss from changes in fair value of available-for-sale financial assets		-78,217,952.68	-1,886,474,336.63
☆4 Financial assets that can be reclassified as other comprehensive income			
5. Gain or loss from reclassification held-to-maturity investments to available-for-sale financial assets			
☆6 Credit impairment provision from other debt investments			
7. Gain or loss on effective cash flow hedge			
8. Translation differences of financial statements in foreign currencies			
9. Others			
*Other comprehensive income attributable to non-controlling interests (net of tax)			
VII. Total comprehensive income		13,248,154,086.66	9,249,189,056.26
Total comprehensive income attributable to the owners of parent company		13,248,154,086.66	9,249,189,056.26
*Total comprehensive income attributable to non-controlling interests			
VIII. Earnings per share:			
(I) Basic earnings per share			
(II) Diluted earnings per share			

Notes: *Items for use in consolidation; △Items for financial entities only.

Consolidated Statement of Cash Flows

For the year ended December 31, 2019

Company Name: China Three Gorges Corporation	Item	Note VIII	Year ended December 31, 2019	Year ended December 31, 2018
Unit: RMB				
I. Cash flows from operating activities:				
	Proceeds from sales of goods or rendering of services		99,751,390,873.09	98,938,376,821.20
	△Net increase in deposits from customers, banks and other financial institutions		1,169,690,790.00	-11,333,667.68
	△Net increase in loans from Central Bank			
	△Net increase in placements from other financial institutions		1,500,000,000.00	
	△Proceeds from premiums of original insurance contract			
	△Net amount of reinsurance business			
	△Net increase in the insured's deposits and investment			
	△Net increase in disposal of financial assets at fair value through profit and loss			
	△Proceeds from interests, fees and commissions		687,070,909.17	776,348,028.98
	△Net increase of replacement from banks and other financial institutions			
	△Net increase in repurchasing			
	△Net cash received from securities brokering			
	Refund of taxes		156,738,249.23	843,184,312.42
	Proceeds from other operating activities		4,021,827,385.74	6,964,324,394.31
	Subtotal of cash inflows from operating activities		107,286,718,207.23	107,510,899,889.23
	Payments for goods and services		27,012,740,304.73	24,043,206,524.61
	△Net increase in loans and advances to customers		490,000,000.00	
	△Net increase in deposits with Central Bank and other financial institutions		-468,593,976.24	1,879,885,150.70
	△Payments for compensation under original insurance contract			
	△Net increase of due from banks and other financial institutions			
	△Payments for interests, fees and commissions		8,783,042.72	56,013,040.12
	△Payments for policy dividends			
	Payments to and for employees		6,572,559,080.36	5,925,096,043.83
	Payments of taxes		18,987,402,000.59	20,770,064,068.68
	Payments for other operating activities		8,229,794,908.95	7,510,877,079.98
	Subtotal of cash outflows from operating activities		60,832,685,361.11	60,185,141,907.92
	Net cash flows from operating activities		46,454,032,846.12	47,325,757,981.31
II. Cash flows from investing activities:				
	Proceeds from disposal of investments		104,327,695,595.44	204,930,512,766.03
	Proceeds from return of investments		3,837,028,512.22	3,836,022,541.83
	Proceeds from disposal of fixed assets, intangible assets and other long-term assets		35,071,511.02	40,344,738.29
	Proceeds from disposal of subsidiaries and other business units			905,528,610.35
	Proceeds from other investing activities		337,013,462.59	38,554,831.41
	Subtotal of cash inflows from investing activities		108,536,809,081.27	209,750,963,487.91
	Payments for acquisition and construction of fixed assets, intangible assets and other long-term assets		62,759,974,198.20	41,429,273,079.77
	Payments for acquisition of investments		109,928,892,627.94	222,440,181,475.17
	△Net increase in pledge loans			
	Net payments for acquisitions of investment in subsidiaries and other business units		4,686,159,287.76	512,029,364.83
	Payments for other investing activities		284,314,714.00	84,485,592.79
	Subtotal of cash outflows from investing activities		177,659,340,827.90	264,465,969,512.56
	Net cash flows from investing activities		-69,122,531,746.63	-54,715,006,024.65
III. Cash flows from financing activities:				
	Proceeds from investors		6,606,529,433.21	12,854,832,953.31
	Including: Proceeds from non-controlling interests of subsidiaries		6,361,379,433.21	12,485,872,953.31
	Proceeds from borrowings		129,077,199,752.94	106,452,377,023.77
	△Proceeds from bond issues			
	Proceeds from other financing activities		192,500,000.00	265,000,000.00
	Subtotal of cash inflows from financing activities		135,876,229,186.15	119,572,209,977.08
	Repayments of borrowings		80,220,227,355.06	76,418,132,677.80
	Payment for dividends, profit distribution or interest		28,664,591,985.24	28,654,160,082.88
	Including: distribution of dividends, profit to non-controlling interests of subsidiaries		7,058,172,340.80	6,254,176,927.36
	Payments for other financing activities		766,505,686.95	146,932,973.98
	Subtotal of cash outflows from financing activities		109,651,325,027.25	105,219,225,734.66
	Net cash flows from financing activities		26,224,904,158.90	14,353,984,242.42
IV. Effect of exchange rate changes on cash and cash equivalents				
			-147,083,616.07	-333,682,994.25
V. Net increase in cash and cash equivalents				
		70	3,409,321,642.32	6,630,053,204.83
	Add: Beginning balance of cash and cash equivalents		37,309,552,876.17	30,679,499,671.34
VI. Ending balance of cash and cash equivalents				
			40,718,874,518.49	37,309,552,876.17

Notes: *Items for use in consolidation; △Items for financial entities only.

Statement of Cash Flows of the Company

For the year ended December 31, 2019

Company Name: China Three Gorges Corporation	Item	Note XIII	Year ended December 31, 2019	Year ended December 31, 2018
Unit: RMB				
I. Cash flows from operating activities:				
	Proceeds from sales of goods or rendering of services		10,963,131.70	18,706,647.30
	△Net increase in deposits from customers, banks and other financial institutions			
	△Net increase in loans from Central Bank			
	△Net increase in placements from other financial institutions			
	△Proceeds from premiums of original insurance contract			
	△Net amount of reinsurance business			
	△Net increase in the insured's deposits and investment			
	△Net increase in disposal of financial assets at fair value through profit and loss			
	△Proceeds from interests, fees and commissions			
	△Net increase of replacement from banks and other financial institutions			
	△Net increase in repurchasing			
	△Net cash received from securities brokering			
	Refund of taxes		906.65	
	Proceeds from other operating activities		2,099,773,587.25	1,943,730,419.02
	Subtotal of cash inflows from operating activities		2,110,737,625.60	1,962,437,066.32
	Payments for goods and services		354,070,751.22	284,026,025.31
	△Net increase in loans and advances to customers			
	△Net increase in deposits with Central Bank and other financial institutions			
	△Payments for compensation under original insurance contract			
	△Net increase of due from banks and other financial institutions			
	△Payments for interests, fees and commissions			
	△Payments for policy dividends			
	Payments to and for employees		519,617,174.67	453,461,859.76
	Payments of taxes		1,156,477,532.97	2,311,038,420.77
	Payments for other operating activities		3,459,031,652.16	1,727,431,611.63
	Subtotal of cash outflows from operating activities		5,489,197,111.02	4,775,957,917.47
	Net cash flows from operating activities		-3,378,459,485.42	-2,813,520,851.15
II. Cash flows from investing activities:				
	Proceeds from disposal of investments		74,481,754,724.21	79,748,702,660.46
	Proceeds from return of investments		19,636,768,741.40	17,012,102,377.93
	Proceeds from disposal of fixed assets, intangible assets and other long-term assets		4,866,837.42	7,458,094.30
	Proceeds from disposal of subsidiaries and other business units			
	Proceeds from other investing activities		13,400,000,000.00	9,750,789,758.68
	Subtotal of cash inflows from investing activities		107,523,390,303.03	106,519,052,891.37
	Payments for acquisition and construction of fixed assets, intangible assets and other long-term assets		230,003,260.75	205,634,690.70
	Payments for acquisition of investments		105,727,712,033.04	91,878,072,428.85
	△Net increase in pledge loans			
	Net payments for acquisitions of investment in subsidiaries and other business units			
	Payments for other investing activities			
	Subtotal of cash outflows from investing activities		105,957,715,293.79	92,083,707,119.55
	Net cash flows from investing activities		1,565,675,009.24	14,435,345,771.82
III. Cash flows from financing activities:				
	Proceeds from investors		237,050,000.00	368,960,000.00
	Including: Proceeds from non-controlling interests of subsidiaries			
	Proceeds from borrowings		54,972,200,000.00	59,950,000,000.00
	△Proceeds from bond issues			
	Proceeds from other financing activities			
	Subtotal of cash inflows from financing activities		55,209,250,000.00	60,318,960,000.00
	Repayments of borrowings		32,896,820,184.00	45,441,626,984.00
	Payment for dividends, profit distribution or interest		14,916,918,888.74	15,801,260,894.82
	Including: distribution of dividends, profit to non-controlling interests of subsidiaries			
	Payments for other financing activities		34,093,047.77	31,316,554.32
	Subtotal of cash outflows from financing activities		47,847,832,120.51	61,274,204,433.14
	Net cash flows from financing activities		7,361,417,879.49	-955,244,433.14
IV. Effect of exchange rate changes on cash and cash equivalents				
			10,921,630.74	37,800.93
V. Net increase in cash and cash equivalents				
		5	5,559,555,034.05	10,666,618,288.46
	Add: Beginning balance of cash and cash equivalents		34,512,241,575.16	23,845,623,286.70
VI. Ending balance of cash and cash equivalents				
			40,071,796,609.21	34,512,241,575.16

Notes: *Items for use in consolidation; △Items for financial entities only.

Consolidated Statement of Changes in Owners' Equity

For the year ended December 31, 2019

Notes	For the year ended 31 December 2019													
	Owners' equity attributable to the Company													
	Field in capital	Preferred shares	Other equity instruments	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	△General risk provision	Retained earnings	Subtotal	Non-controlling interests	Total owners' equity
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
Initial balance at January 1, 2019	211,791,023,501.31	—	—	—	26,044,520,162.74	—	—	26,223,792,703.94	—	29,113,249,051.83	290,268,015,460.89	105,384,498,116.36	395,652,513,577.25	
III. Increase/decrease in the year of 2019 (decrease to be presented with "-")														
(I) Total comprehensive income	—	—	—	1,564,056,827.76	26,044,520,162.74	-2,853,016,096.94	476,078.01	476,078.01	—	13,821,796,249.76	14,907,979,201.67	11,862,703,338.16	28,010,744,541.81	
(II) Owner's contribution and withdrawal	—	—	—	1,564,056,827.76	-426,437,811.14	-163,805,174.56	686,086.75	1,371,220,845.10	—	21,532,564,094.80	937,618,976.63	1,716,020,979.66	15,083,588,919.86	
(III) Profit distribution	—	—	—	1,564,056,827.76	-426,437,811.14	-163,805,174.56	686,086.75	1,371,220,845.10	—	-10,306,807,845.10	-9,337,087,800.00	-2,386,923,943.11	-16,618,031,583.11	
(IV) Balance at December 31, 2019	211,791,023,501.31	—	—	1,564,056,827.76	25,618,082,351.60	-3,016,821,271.44	486,086.75	27,295,013,549.04	—	41,937,005,301.53	303,333,991,664.54	117,227,266,654.52	422,461,258,319.06	

Notes: Figures in unit is consolidated. Columns for financial entities only.

Consolidated Statement of Changes in Owners' Equity (Continued)

For the year ended December 31, 2019

Notes	For the year ended 31 December 2018													
	Owners' equity attributable to the Company													
	Field in capital	Preferred shares	Other equity instruments	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	△General risk provision	Retained earnings	Subtotal	Non-controlling interests	Total owners' equity
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
Initial balance at January 1, 2018	211,412,003,501.31	—	—	—	25,468,676,065.58	—	—	25,716.09	—	16,361,832,075.85	282,018,189,643.23	92,088,908,280.57	374,097,087,923.80	
III. Increase/decrease in the year of 2018 (decrease to be presented with "-")														
(I) Total comprehensive income	—	—	—	—	25,468,676,065.58	3,695,754,682.78	210,716.09	25,115,812,442.82	—	16,361,832,075.85	16,361,832,075.85	92,088,908,280.57	374,097,087,923.80	
(II) Owner's contribution and withdrawal	—	—	—	—	25,468,676,065.58	-5,514,900,785.72	210,716.09	25,115,812,442.82	—	12,751,396,993.98	8,249,823,977.66	1,275,599,831.79	21,543,623,813.43	
(III) Profit distribution	—	—	—	—	—	-5,514,900,785.72	210,716.09	1,027,990,321.12	—	24,134,038,131.13	17,600,047,263.41	9,070,300,036.65	26,670,377,602.26	
(IV) Balance at December 31, 2018	211,412,003,501.31	—	—	—	25,468,676,065.58	3,695,754,682.78	210,716.09	25,115,812,442.82	—	16,361,832,075.85	282,018,189,643.23	92,088,908,280.57	374,097,087,923.80	

Notes: Figures in unit is consolidated. Columns for financial entities only.

Statement of Changes in Owners' Equity of the Company

For the year ended December 31, 2019

Unit: RMB

	For the year ended 31 December 2019										Total owners' equity		
	Owners' equity attributable to the Company												
	1	2	3	4	5	6	7	8	9	10		11	12
Paid in capital	Preferred shares	Other equity instruments	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	△General risk provision	Retained earnings	Subtotal	Non-controlling interest	
Balance at January 1, 2019	211,781,023,501.31	—	—	—	8,174,651,618.73	—	—	26,679,471,236.66	—	16,634,213,319.60	264,792,573,267.79	—	264,792,573,267.79
III. Increase/decrease in the year of 2019 (decrease to be presented with "-")	—	—	—	—	—	1,322,213,493.09	—	1,336,473,241.38	—	2,698,793,874.17	4,149,280,794.41	—	4,149,280,794.41
(I) Total comprehensive income	—	—	—	—	—	-129,603,329.09	—	1,336,473,241.38	—	13,368,372,413.75	13,248,154,086.66	—	13,248,154,086.66
(II) Owner's contribution and withdrawal	—	—	—	—	—	—	—	—	—	—	238,174,477.75	—	238,174,477.75
1. Contribution of capital of owners	—	—	—	—	—	—	—	—	—	—	—	—	—
2. Capital contributed by other equity instruments holders	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Share-based payment received in owner's equity	—	—	—	—	—	—	—	—	—	—	—	—	—
4. Others	—	—	—	—	—	—	—	—	—	—	—	—	—
(III) Special reserve	—	—	—	—	1,144,497.75	—	—	—	—	—	1,144,497.75	—	1,144,497.75
1. Current year accrued	—	—	—	—	—	—	—	—	—	—	—	—	—
2. Current year utilized	—	—	—	—	—	—	—	—	—	—	—	—	—
(IV) Profit distribution	—	—	—	—	—	—	—	—	—	-9,337,087,800.00	-9,337,087,800.00	—	-9,337,087,800.00
1. Appropriation for surplus reserves	—	—	—	—	—	—	—	—	—	-9,337,087,800.00	-9,337,087,800.00	—	-9,337,087,800.00
Including: Statutory surplus reserve	—	—	—	—	—	—	—	—	—	-1,336,473,241.38	-1,336,473,241.38	—	-1,336,473,241.38
Discretionary surplus reserve	—	—	—	—	—	—	—	—	—	-1,336,473,241.38	-1,336,473,241.38	—	-1,336,473,241.38
Reserve funds	—	—	—	—	—	—	—	—	—	—	—	—	—
Enterprise development fund	—	—	—	—	—	—	—	—	—	—	—	—	—
Reserve of investment	—	—	—	—	—	—	—	—	—	—	—	—	—
2. Appropriation for general risk provision	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Distribution to owners	—	—	—	—	—	—	—	—	—	—	—	—	—
4. Others	—	—	—	—	—	—	—	—	—	—	—	—	—
(V) Transfer within owners' equity	—	—	—	—	—	—	—	—	—	—	—	—	—
1. Capital reserves transfer to paid-in capital	—	—	—	—	—	—	—	—	—	—	—	—	—
2. Surplus reserves transfer to paid-in capital	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Reserve loss by surplus reserves	—	—	—	—	—	—	—	—	—	—	—	—	—
4. Change in recognized deferred benefit obligation or net assets	—	—	—	—	—	—	—	—	—	—	—	—	—
5. Transfer other comprehensive income to retained earnings	—	—	—	—	—	—	—	—	—	—	—	—	—
6. Others	—	—	—	—	—	—	—	—	—	—	—	—	—
IV. Balance at December 31, 2019	211,781,023,501.31	—	—	—	8,174,651,618.73	1,401,678,166.00	—	28,017,447,087.64	—	19,322,007,193.77	268,931,834,042.20	—	268,931,834,042.20

Note: RMB for use in consolidation. Column for financial entities only

Statement of Changes in Owners' Equity of the Company(Continued)

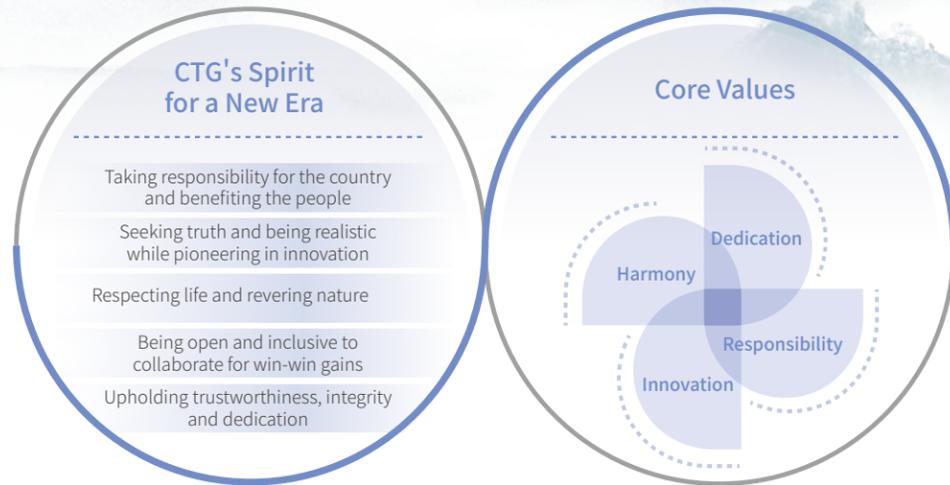
For the year ended December 31, 2019

Unit: RMB

	For the year ended 31 December 2019										Total owners' equity		
	Owners' equity attributable to the Company												
	1	2	3	4	5	6	7	8	9	10		11	12
Paid in capital	Preferred shares	Other equity instruments	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	△General risk provision	Retained earnings	Subtotal	Non-controlling interest	
Balance at January 1, 2019	211,781,023,501.31	—	—	—	8,174,651,618.73	—	—	25,543,993,535.56	—	16,700,977,885.05	262,230,370,182.59	—	262,230,370,182.59
III. Increase/decrease in the year of 2019 (decrease to be presented with "-")	—	—	—	—	—	—	—	1,473,454,552.10	—	-1,113,508,688.35	1,360,945,863.75	—	1,360,945,863.75
(I) Total comprehensive income	—	—	—	—	—	—	—	1,473,454,552.10	—	-1,113,508,688.35	359,945,863.75	—	359,945,863.75
(II) Owner's contribution and withdrawal	—	—	—	—	—	—	—	—	—	—	—	—	—
1. Contribution of capital of owners	—	—	—	—	—	—	—	—	—	—	—	—	—
2. Capital contributed by other equity instruments holders	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Share-based payment received in owner's equity	—	—	—	—	—	—	—	—	—	—	—	—	—
4. Others	—	—	—	—	—	—	—	—	—	—	—	—	—
(III) Special reserve	—	—	—	—	—	—	—	—	—	—	—	—	—
1. Current year accrued	—	—	—	—	—	—	—	—	—	—	—	—	—
2. Current year utilized	—	—	—	—	—	—	—	—	—	—	—	—	—
(IV) Profit distribution	—	—	—	—	—	—	—	—	—	-1,113,508,688.35	-1,113,508,688.35	—	-1,113,508,688.35
1. Appropriation for surplus reserves	—	—	—	—	—	—	—	—	—	-1,113,508,688.35	-1,113,508,688.35	—	-1,113,508,688.35
Including: Statutory surplus reserve	—	—	—	—	—	—	—	—	—	—	—	—	—
Discretionary surplus reserve	—	—	—	—	—	—	—	—	—	—	—	—	—
Reserve funds	—	—	—	—	—	—	—	—	—	—	—	—	—
Enterprise development fund	—	—	—	—	—	—	—	—	—	—	—	—	—
Reserve of investment	—	—	—	—	—	—	—	—	—	—	—	—	—
2. Appropriation for general risk provision	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Distribution to owners	—	—	—	—	—	—	—	—	—	—	—	—	—
4. Others	—	—	—	—	—	—	—	—	—	—	—	—	—
(V) Transfer within owners' equity	—	—	—	—	—	—	—	—	—	—	—	—	—
1. Capital reserves transfer to paid-in capital	—	—	—	—	—	—	—	—	—	—	—	—	—
2. Surplus reserves transfer to paid-in capital	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Reserve loss by surplus reserves	—	—	—	—	—	—	—	—	—	—	—	—	—
4. Change in recognized deferred benefit obligation or net assets	—	—	—	—	—	—	—	—	—	—	—	—	—
5. Transfer other comprehensive income to retained earnings	—	—	—	—	—	—	—	—	—	—	—	—	—
6. Others	—	—	—	—	—	—	—	—	—	—	—	—	—
IV. Balance at December 31, 2019	211,781,023,501.31	—	—	—	8,174,651,618.73	1,401,678,166.00	—	26,017,447,087.64	—	15,587,369,196.70	268,931,834,042.20	—	268,931,834,042.20

Note: RMB for use in consolidation. Column for financial entities only

Corporate Culture



Starting a New Chapter in Communist Party Building

The seventh inspection group followed the central government's instruction to conduct a regular inspection of CTG's leading party group from 29 March to 15 June 2019, and gave its feedback to the leading party group on July 24. CTG's leading party group acted on the inspection feedback regarding this important political task and spared no effort in implementing the findings, achieving remarkable milestones as a result.

The inspection and the follow-up rectification helped all levels of leaders at CTG to learn Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, deepen their understanding of Party management, strengthen the "Four Consciousnesses" (i.e. being always conscious of political correctness, of the broader picture,

of the core leadership, and of staying aligned with the core), reaffirm the "Four Matters of Confidence" (i.e. confidence in the socialist path, theory, system and culture), resolutely uphold President Xi Jinping's core position on the Party Central Committee and in the Party as a whole, and resolutely uphold the Party

Central Committee's authority and its centralized, unified leadership. CTG thus strengthened its political culture, and laid a solid foundation to develop its business, and promote reform and development and build the Party.



The seventh inspection group of the central government conducts an inspection of CTG

In 2019, CTG continued to strengthen the overall leadership of the Party, took a deep dive into the spirit of the Fourth Plenary Session of the 19th CPC Central Committee, and implemented the overall requirements of the Party. Guided by political considerations, CTG focused on the themes and core matters identified by the Party, selected and highlighted the role models, remained true to our original aspiration, kept our mission firmly in mind, ran fruitful themed education events, promoted reform and development and Party building, and comprehensively improved the foundation of Party building, creating an upright atmosphere for reform and development.



CTG's leading party group holds an event to review the Party oath

During an education event held under the theme "remaining true to our original aspiration, keeping our mission firmly in mind" held by CTG, nine individuals, including Zhang Chaoran and Zheng Shouren, and two organizations, Three Gorges Power Plant of China Yangtze Power Co., Ltd. and Three Gorges Construction Management Co., Ltd.'s Baihetan Engineering and Construction Department were selected as role models to guide employees in building a new era and concentrating on reform and development.



A group photo of role models and representatives of role model organizations during the themed education event

Highlighting Inspiring Role Models

CTG incubated over 60 Employee (Work Model) Tech Innovation Labs, and realized 221 innovation achievements, 63 of which were awarded by the Group, 15 of which were awarded by the China Electricity Council, and 16 of them were awarded by the China Energy, Chemistry and Geology Union.

CTG organized a competition themed "New Thinking for Success in the 13th Five-Year Plan" for all employees working on hydropower projects at the Jinsha River Basin. During the competition, eight leading organizations, 25 leading groups, 30 leading teams and 58 outstanding individuals were recognized with awards.

8 leading organizations

25 leading groups

30 leading teams

58 outstanding individuals



2019 Jinsha River Basin Hydropower Engineering Competition Awards Ceremony

Protecting Democratic Rights

In 2019, CTG improved its democratic management system, implemented a rights protection mechanism, engaged employees in corporate management through a democratic approach, as collective intelligence can better drive the company forward. It received 34 proposals from employee representatives in 2019 and addressed all the cases before their deadlines with 100% satisfaction. These measures ensure CTG employee's right to know, express their view, participate in the company's management and supervise their peers.

Case closure: **100%**

Satisfaction: **100%**

Empowering Employees for Career Growth

CTG improved its employment and appointment system, revised management measures, and formulated task lists for finding, training and selecting outstanding young talent, and steadily increased the ratio of young talent in 2019. CTG launched the young talent training program, including the first Master of Public Policy (MPP) training program at the University of EDP, and the first professional senior engineers evaluation committee, widening the space for professional talent growth and achieving the best ever results in talent promotion.

CTG invested RMB 56.75 million in staff training programs, which attracted 239,059 participants in 2019.

Total investment in staff training: RMB **56.75** million

Training program participants: **239,059**



Training sessions for auditors



A management personnel training program

|| Caring for Employees

CTG upheld its people-oriented strategy and strived to serve its employees and develop its business. It organized a varied range of cultural and sports activities, including themed work skills competitions and events such as a public lecture titled “diligent young people are the brightest”, improving the well-being of our staff and creating a positive, lively atmosphere where the company and employees develop together in harmony.



The public lecture titled “diligent young people are the brightest”

|| Improving the Brand Image

In line with political guidance, public opinion and its values, CTG established a comprehensive communication model covering all media. It ran the “My Motherland and I” educational campaign and other large-scale educational activities to celebrate the 70th anniversary of the founding of the People’s Republic of China. And with its annual priorities in mind, CTG published a series of hot news articles in 2019 featuring company highlights to boost workplace satisfaction and disseminate the company’s mission to become a globally competitive world-leading clean energy group.

CTG’s new media efforts won it recognition as the 13th “Most Influential Central SOE-owned New Media”, second in the power industry, at the first Government-Enterprise New Media Development Forum hosted by People’s Daily Online.



20 Most Influential Central SOEs in New Media

Technological Innovation



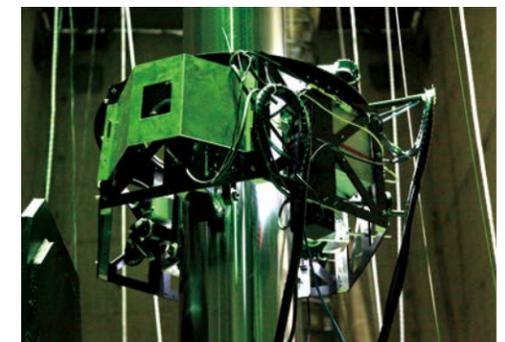
CTG deepened reform of its technology system, revised its technology management system, further improved its independent innovation system, drove the integration of internal and external technology resources, accelerated the construction of its independent innovation platform, stepped up independent R&D, planned and launched key scientific research projects, resolved bottlenecks, achieved numerous scientific and technological breakthroughs, improved the science and technology incentive mechanism, and increased its investment in incentives by setting up the Three Gorges Science and Technology Prize Fund.



The inaugural ceremony for the CTG-North China Electric Power University Joint Laboratory of Hydrogen Energy

|| Technological Innovation Platform

CTG founded the Science and Technology Research Institute in July 2019. The institute now has Laboratory of Functional Materials and Optoelectronic Components for Photovoltaic Power Generation, CTG-North China Electric Power University Joint Laboratory of Hydrogen Energy, and CTG-Hohai University Joint Laboratory of Efficient Utilization of Water Resources.



Robots conduct maintenance

|| Breakthroughs in R&D

CTG planned and conducted major R&D on the floating base for offshore wind power facilities, long-distance flexible DC power transmission, intelligent operation and maintenance, smart water management for Yangtze River ecosystem protection, sludge disposal, pipe and network detection, water pollution control, and a comprehensive range of new energy solutions with a focus on hydrogen energy. CTG gained a number of important scientific and technological achievements, e.g. large-capacity offshore wind turbines, 500kV welded GIL maintenance, special robots for hydropower station maintenance, self-propelled underwater robots for unclogging deep holes, and smart water management systems.



Participating in a cybersecurity contest

|| Accelerating the Development of Cybersecurity and Information Technology

CTG further developed mechanisms for decision-making on major matters, the appointment and dismissal of important personnel, the arrangement of major projects and finance. It also built digital archives and developed tax management and environment management systems. CTG started building its across-the-board data center for the group as well as deployed IPv6 on a large scale and upgraded its network. It completed cybersecurity drills that encompassed defending against a sophisticated attack.

Technical Innovation Results

The 2019 National Science and Technology Award Conference was held at the Great Hall of the People, Beijing, by the CPC Central Committee and the State Council on January 10, 2020. Party and State leaders, including Xi Jinping, Li Keqiang, Wang Huning and Han Zheng, attended the conference and presented awards to the winners. CTG won the special award for national science and technology progress for 2019.

The Three Gorges Project (TGP), the world's largest hydropower complex, faces world-class technical challenges in design, construction and operation. After decades of research collaboration, tens of thousands of researchers and engineers have made a series of major technical breakthroughs in the overall layout and engineering of the complex, the design and manufacture of giant hydraulic generators, the operation of the project and ecosystem protection, as well as project management. These endeavors have set 112 new world records, and generated 934 invention patents and 135 Three Gorges Project Quality Standards. TGP's work has empowered the development of water conservancy and the hydropower industry in China. The research findings of TGP are being widely applied in mid-sized water conservancy and

CTG's major science and technology achievements in 2019

Key Technology and Application of Simulation and Control of Complex Dynamic Characteristics and Habitat Elements in Waters, and Technology and Application of Enhancing Aquatic Environment of Urban River Network in Yangtze River Delta Region received the second prize of the National Science and Technology Progress Awards for 2019.

hydropower projects in China and overseas. TGP has become a signature project that makes China a great player in the field.

In addition, CTG's achievements also won it the second prize in the National Science and Technology Progress Award program and 19 of CTG's achievements won provincial or ministerial accolades or prizes awarded by industry associations.

CTG filed 641 patent applications, including 252 for inventions, 386 for utility models, and three for design patents and was granted 465 patent applications, including 36 for inventions, 428 for utility models, and one for design patent in 2019. We also obtained 97 registered software copyrights.

CTG published the first batch of its own standards on Yangtze River ecosystem protection and smart engineering in hydropower projects in 2019. We approved 92 CTG standards and published 72 CTG standards, with 71 approved as national or industrial standards. We also devised 24 national and industrial standards.

Obtained **97** registered software copyrights

Approved **92** CTG standards

Published **72** CTG standards

Devised **24** national and industrial standards



The maintenance plant of China Yangtze Power Co., Ltd., owned by CTG, developed the key maintenance technology for 500 kV shell welded Gas Insulated Line (GIL) in July 2019, receiving the top prize, QIC-V level, at the 4th National Quality Innovation Competition.



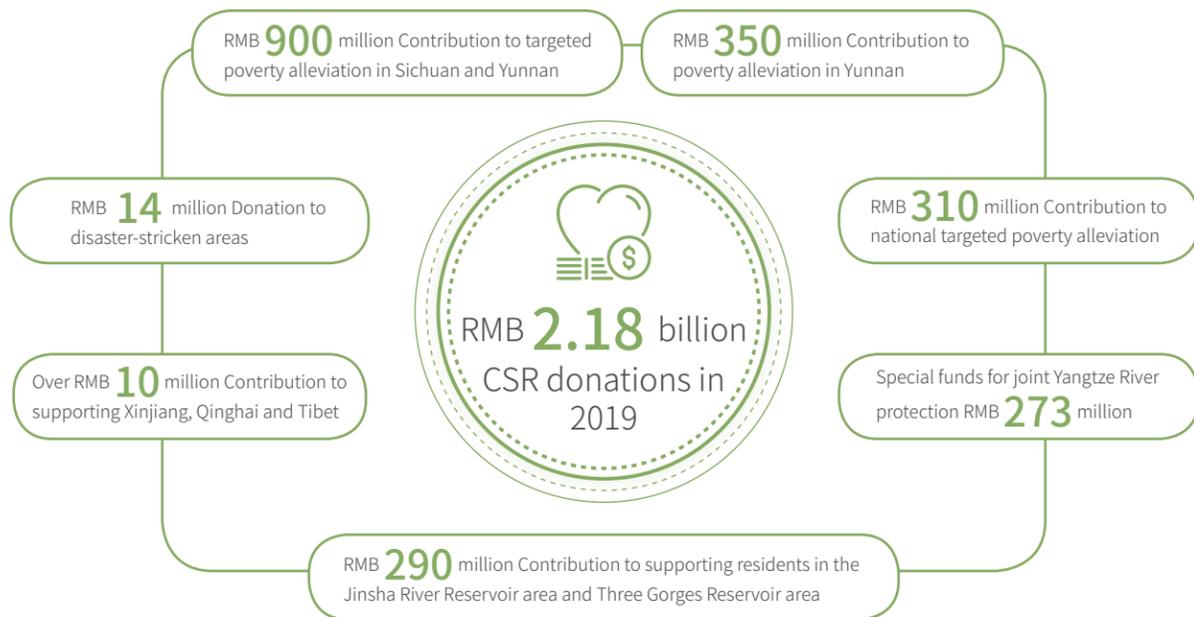
TGP received the special award of the National Science and Technology Progress Awards for 2019.



Corporate Social Responsibility



Focusing on its new strategic positioning, CTG echoes the national policy on poverty alleviation and serves as an exemplar of corporate social responsibility. The company is committed to targeted poverty alleviation and aid assistance to Xinjiang, Qinghai and Tibet, supporting ethnic minorities in Sichuan and Yunnan, and resettlement support for residents in the reservoir. This commitment helps foster development and benefits the people.



Lei Mingshan, Chairman of CTG, visits an impoverished household in Yongle town, Chongqing

Targeted Poverty Alleviation

Adhering to the core values of "Dedication, Responsibility, Innovation and Harmony," CTG actively assumes the responsibilities to echo national initiatives on targeted poverty alleviation, helping reduce poverty in areas where hydropower stations are located, and making a significant contribution to building a moderately prosperous society.

CTG provided a total of RMB 300 million to support the four national targeted poverty alleviation counties in 2019. Poverty alleviation through tourism attracted an additional 200,000 tourists to Wushan in Chongqing. The poverty alleviation through e-commerce efforts were widely praised. Meanwhile, the Three Gorges Wawaxing summer camp had a broad impact. Education support projects run by CTG won the Livelihood Demonstration Project Prize. CTG provided a total of RMB

900 million to reduce poverty in Sichuan and Yunnan in 2019, reaching the goal of providing a total of RMB 3.6 billion used to help ethnic minorities in the two provinces over the past four years. The initiative benefited a population of over 270,000 and is a good example of the SOEs lifting ethnic minorities out of poverty entirely.

CTG continued to be actively engaged in supporting residents in TGP and Jinsha River reservoir areas, providing a total of RMB 290 million to help the residents resettle smoothly, enjoy a stable life and earn a livelihood. CTG also earmarked an additional RMB 1 billion to support poverty-stricken households in the reservoir areas in Sichuan and Yunnan, of which RMB 350 million was allocated to support local economic development.



New housing for resettlement in Wudongde



Holding poverty-alleviation training sessions

Giving Back to Society

As a dedicated and responsible enterprise, CTG actively gives back to society by participating in public welfare projects and organizing various charitable activities to help people who are living in poverty or experiencing other challenges, thereby contributing to the harmonious development of society. CTG invested RMB 14 million in public welfare funds to support Yushu in Qinghai, Wan'an in Jiangxi and Yibin in Sichuan in 2019 to help them recover from snowstorms, floods, droughts and earthquakes through rebuilding.



CTG donates the first installment of its medical aid fund to Fengjie County

CTG donated RMB 3 million to the earthquake-hit area of Changning at the donation ceremony jointly held by Sichuan State-owned Assets Supervision and Administration Commission and Yibin Municipal Government in July 2019.



CTG donates to the earthquake-hit area of Changning

CTG held a student summer camp on hydropower in Yichang in July 2019, with participants comprising 319 primary and middle school students from 11 ethnic groups across nine areas targeted for poverty alleviation.



China Central Television's TV program *Hand in Hand* featured CTG's student summer camp

Overseas Responsibilities

CTG upholds the concept of long-term development and localization in running its overseas businesses and takes the initiative to be responsible for infrastructure construction, community aid, environmental protection and education, and economic, environmental and social benefits.

CTG continues to expand its global energy partnerships as part of the Belt and Road initiative, giving equal importance



The staff of China International Water & Electric Corporation delivered stationery supplies to local primary school at the Isimba Hydropower Plant in January 2019.



The 5th Tomás Pereira Prize Awarding Ceremony was held in the Portuguese Embassy in Beijing in May 2019. CTG sponsored four students to study in Portugal, and has sponsored a total of 10 students since the prize was initiated to further promote the friendship between China and Portugal.

to energy development and social responsibility, and actively supporting public welfare and promoting development of the local economy and society. CTG sets a good example by endeavoring to establish a community of shared interests, responsibilities and destinies that embraces openness and inclusiveness as part of the Belt and Road initiative.

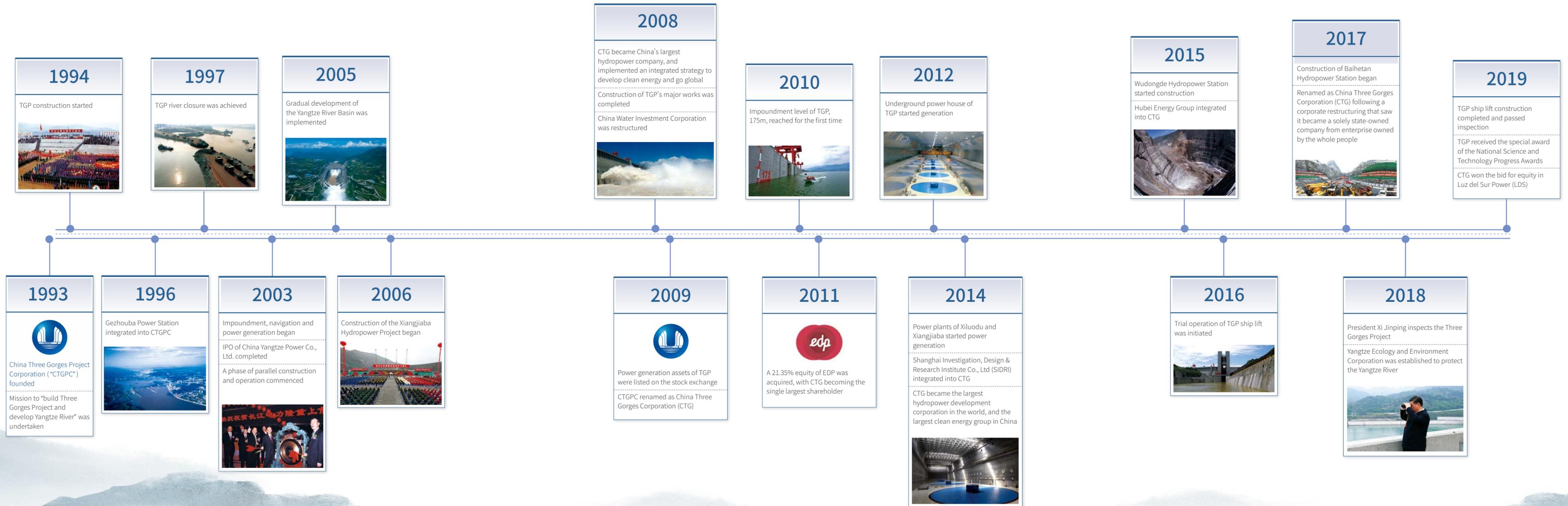


The *Limnoperna fortunei* (golden mussel) management project jointly operated by CTG Brazil and the Bio Bureau of Brazil won the 2019 Brazilian Bioeconomy Prize in August. The project, based on collaboration between Chinese and Brazilian scientists, made important progress in controlling *Limnoperna fortunei*, an invasive species.



The CTG-Pakistan Scholarship Program was inaugurated at Jiangxi University of Science and Technology in Ganzhou, Jiangxi Province, in October 2019. It was the first long-term full scholarship program established and funded by a Chinese company targeting young students in the areas of Pakistan affected by the hydropower project.

CTG History





Major Subsidiaries

China Three Gorges Projects Development Co., Ltd.

China Three Gorges Projects Development Co., Ltd. (Company) is a wholly owned subsidiary of CTG, providing services covering the whole industry – investment, construction, management and consulting, to medium and large-size hydropower projects, pumped-storage plants, water conservancy projects and public infrastructure throughout the world.

The company's predecessor was the project construction division of CTG, founded in 1984 and officially created as a company in July 2015 due to CTG's integration of project development resources. The company is primarily engaged in developing and constructing mega hydropower plants. It manages projects both within and outside China. The company has completed the construction of hydropower stations with an installed capacity of 43.704GW. Power stations under construction boast an installed capacity of 26.92GW. Five hydropower stations – TGP, Baihetan, Xiluodu, Wudongde and Xiangjiaba – are among the 12 largest hydropower stations in the world by installed capacity.

It is broadly involved in developing and constructing projects of pumped storage plants, wind power, solar power and public infrastructure, in addition to engaging in supervision and consultation businesses across the world. The company developed and constructed four mega-size power stations, including Xiluodu, Xiangjiaba, Wudongde and Baihetan, in the lower reaches of Jinsha River. It also undertook construction of highways, bridges, navigation facilities, ports, public facilities and buildings (such as Water Cube), and the Murum Hydropower Station in Malaysia. Currently, it is undertaking construction of the Karot Hydropower Station and Kohala Hydropower Station, both in Pakistan.

CTG has established the concept of "safe development" for its daily management and operations. It considers quality to be the foundation for project construction and corporate development. Guided by the principle of zero accidents and zero quality problems, the company constructed mega-sized hydropower stations of the highest quality and to the most stringent standards, such as TGP, Xiluodu and Xiangjiaba. There were no major accidents recorded during construction of these.

Over the past three decades, the company has gained rich experience in terms of project investment, construction and management due to working on a wide variety of global projects. It has formed a professional team with a balanced age structure, comprehensive skillsets and abundant management experience, which is comprehensively capable of integrating project investment and development, managing construction of large-size hydropower plants, innovating hydropower technologies, and leading the making of standards in the hydropower industry.

The company will comprehensively implement its development principles of "innovation, coordination, green development, opening and sharing." It will actively promote and apply the business philosophy of "building a hydropower station to facilitate the local economy, improve the environment and benefit resettled residents." It will continue to enhance its "zero quality issues or safety accidents" tradition, focus on hydropower development and environmental protection equally, and strive for integration of benefits for economy, society and the environment. It envisions becoming a world-class company specialized in project investment, construction, management and consulting.



China Yangtze Power Co., Ltd.

China Yangtze Power Co., Ltd. (CYPC) was founded on September 29, 2002 with State Council approval. It is a limited company with CTG as its major initiator. The company went public on the Shanghai Stock Exchange (SHA: 600900) in November 2003.

CYPC's main businesses include hydropower generation, power distribution and sales, overseas power plants operation and management, consulting services, investment and financing. The company has expanded its presence to several foreign nations, including Germany, Portugal, Peru, Brazil and Malaysia. CYPC now fully owns the power generation assets of Three Gorges, Gezhoubu, Xiluodu and Xiangjiaba HPPs. Currently the company has 82 hydro-units along the main

stream of the Yangtze River, including 58 large-scale units with a unit capacity of 700MW or above, making up more than half of all the same capacity-grade hydropower units in the whole world. With a total installed capacity of 45.495GW along the main stream of the Yangtze River, the company is the largest listed electric power company in China and the largest listed hydropower company globally.

CYPC owned total assets of RMB 296.48 billion, and had a gearing ratio of 49.4%, down 2.31 percentage points year-on-year, as of the end of 2019. The company achieved total profits of RMB 26.63 billion, and its total market value exceeded RMB 400 billion as of the end of 2019.



China Three Gorges International Corporation

Founded on August 30, 2011, China Three Gorges International Corporation (CTGI) is a subsidiary wholly owned by CTG.

CTGI facilitates implementation of CTG's global strategy, and is engaged in clean energy collaboration with multiple foreign partners through greenfield investment and equity acquisition. It is committed to supporting the Belt and Road initiative.

Since its establishment, CTGI has proactively integrated CTG into global markets, and achieved significant progress in developing its overseas business, outbound M&As, project construction and power station management. As of the end of 2019, CTGI's consolidated installed capacity is 8.36GW. As its business expands, CTGI is actively leading the design, consulting, engineering, construction, and power plant operation and management at CTG to jointly establish a foothold in the overseas clean energy market.

Using China Three Gorges (Hong Kong) Co., Ltd. as an overseas investment platform, CTGI founded CTG (Europe) S.A. (CTG Europe), China Three Gorges South Asia Investment Ltd. (CSAIL), China Three Gorges (Brasil) Energia Ltda. (CTG Brazil), Global Hydro and other subsidiaries.

Committed to the business values of Dedication, Excellence, Respect and Responsibility, CTGI is dedicated to what it does best, aspires to pursue excellence, respects business rules, and shoulders its responsibilities. It proactively integrates into global markets, and develops in a fast yet steady manner. CTGI aims to make greater contributions to CTG's aspiration of becoming a world-class clean energy group.



China Three Gorges Renewables (Group) Co., Ltd.

China Three Gorges Renewables (Group) Co., Ltd. (CTG Renewables) is a wholly-owned subsidiary of CTG. Its mission is to develop new energy as CTG's second principal business.

CTG Renewables vigorously develops onshore wind power, photovoltaic power and offshore wind power. It manages robust, small and medium size hydro plants, explores new business including solar-thermal power, incremental distribution network, distributed gas energy, and hydrogen production by wind power. At the same time, CTG New Energy makes investments in new industries that are closely relevant and highly complementary with new energy business to achieve synergy. It is primarily composed of wind power, solar power, with involvement in small and medium size hydro plants, and strategic investments, leading to a coordinated layout of business.

CTG Renewables exceeded all the targets set for 2019, with new installed capacity of more than 2 GW, total installed capacity of more than 11GW, and nearly 20TWh electricity generated. Its total assets exceeded RMB 100 billion with record high revenues and profits that grew at double-digit rates and industry-leading profitability. CTG Renewables completed stock holding reform, fully recognized by the State-owned Assets Supervision and Administration Commission. It has been at full speed toward IPO and is currently receiving pre-listing tutoring.

Being responsible for implementing CTG's new energy strategy, it is committed to "developing a picturesque CTG with wind and solar power" and "becoming a leader in offshore wind power." It gives focus to both the company's scale and profits, adopting a differentiated competition and cost-saving approach to development. It aims at becoming a new energy company with a balanced business structure, quality assets, outstanding economic performance and exceptional management, contributing to the "New CTG Dream".

Yangtze Ecology and Environment Co., Ltd.

Yangtze Ecology and Environment Co., Ltd. was incorporated to implement Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, as well as Xi Jinping's Thought on Ecological Progress, serving as the major utility for coordinated protection of the Yangtze River, on December 13, 2018, in Wuhan, Hubei Province.

It serves as a platform for CTG in its efforts to protect the Yangtze River Basin. Boosted by construction of the Yangtze River Economic Belt, YEE has launched a wide range of businesses, covering planning, designing, investment, construction, operations, technology research and development, products and services, which are related to

ecology, environmental protection, energy conservation and clean energy. It is also responsible for the operation of corresponding State-owned assets, in accordance with the law.

Guided by the conviction that lucid waters and lush mountains are invaluable assets, this company will deliver and implement systematic and comprehensive solutions tailored to the conditions of the 11 provinces or municipalities along the Yangtze River, in order to achieve the ultimate goal of "a fundamental improvement of water quality in the Yangtze River." Its conservancy and environmental improvements along the Yangtze River are part of the ecology-first philosophy and green development of the Yangtze River Economic Belt.

China International Water & Electric Corporation

China International Water & Electric Corporation (CWE) is a wholly owned subsidiary of CTG, and is the first SOE in China's hydropower sector to engage in global economic cooperation. Founded in 1983, it was previously known as the foreign assistance institute of the Ministry of Water Conservancy and Electric Power. The name CWE was adopted in 2017 after the ownership structure was reformed.

Today, CWE has become a recognized brand in global EPC projects and small and medium size power projects. Many projects that were contracted or developed by CWE have become milestones for global water and hydropower development. It has built dams that symbolize friendship between countries, hydropower projects that are known as local versions of the Three Gorges Project, and large size water complex and infrastructure projects that are regarded as flagship

projects of global collaboration.

CWE has a strong presence in the water and hydropower businesses, and rich experience in infrastructure projects such as power transmission, roads and bridges, and port dredging, etc. CWE has set foot in over 80 countries and regions across Asia, Africa, Europe and the America, and set up permanent offices in 32 countries and regions. CWE has acquired China's top-class qualifications for EPC of water and hydropower projects, for foreign contracting projects, and for importing and exporting. It also has secured AAA credit ratings, with certifications for quality, environmental, and occupational health management. It boasts a contractor's license for the highest grade of all kinds of construction work in Hong Kong. CWE has been listed as an ENR Top 250 International Contractors for 30 consecutive years, and ENR Top 225 International Designing Firms for 22 years in a row.



Hubei Energy Group Co., Ltd.

Hubei Energy Group Co., Ltd (Hubei Energy) was founded in 2005 with the merger of the former Qingjiang River Hydropower Investment Company in Hubei province and former Hubei Power Development Company. In 2007, China Yangtze Power Co. Ltd. and China Guodian Corporation became strategic investors. It was transformed into a limited company in 2008 and went public in 2010 (000883.SZ). CTG became its controlling shareholder in 2015 through private placement.

Hubei Energy is primarily engaged in energy investment, development and management. As a public energy company providing the most comprehensive range of services and products in China, Hubei Energy is committed to enhancing energy security in Hubei, and developing a regional integrated business platform for CTG, consisting of hydropower, thermal power, nuclear power, new energy, natural gas, coal trade and

financial investment. Hubei Energy has set up two energy bases, a hydropower base in West Hubei and a thermal power base in East Hubei. New energy projects scattered in the whole province, with the top market share therein. Hubei Energy has also developed an energy network to store and supply coal and natural gas. It also owns equity in many public companies and financial organizations, including Changjiang Securities, Guodian Changyuan Electric Power Co., Ltd. and Changjiang Property & Casualty Insurance Co., Ltd. As of the end of 2019, the consolidated installed capacity operated by Hubei Energy reached over 9.874GW. Its total assets were RMB 60.37 billion, with an asset liability ratio of 44.3%. Throughout the year, it generated 26.09TWh of electricity, recording revenue of RMB 15.81 billion, with a net profit of RMB 1.8 billion.



Shanghai Investigation, Design & Research Institute Co., Ltd.

Founded in November 1954, Shanghai Investigation, Design & Research Institute Co., Ltd. (SIDRI) became affiliated to Shanghai Municipal Government's Ministry of Water Resources in July 2001. In June 2014, SIDRI was restructured into a subsidiary of CTG, with registered capital of RMB 611.648 million.

SIDRI is a large-scale Grade A Design Institute, which focuses on water conservancy, hydropower, new energy and environmental engineering. With its whole coverage in engineering services, SIDRI conducts business throughout China and in more than 20 countries and regions across the world. SIDRI has undertaken planning, survey and designing work for more than 40 large and medium size hydropower projects, including the Xin'anjiang Project. It also undertook designing work of the comprehensive development and improvement of Yangtze estuary, that of Huangpu River, and water source place projects. It provided design services for Donghai Bridge Wind Farm in Shanghai, the first offshore wind farm in Asia. It also engaged in the planning and designing for improving the aquatic environmental conditions of Taihu Lake and restoration of the water ecosystem. SIDRI was certified as a "National Outstanding Design Institute," "National Outstanding Water Conservancy Enterprise" and "High-Tech Enterprise of Shanghai."

Three Gorges Finance Co., Ltd.

Three Gorges Finance Co., Ltd. (TGFC) was founded in November, 1997, upon approval by The People's Bank of China, with registered capital of RMB 5 billion. It is a non-bank, financial institution specializing in financial services for CTG and associated companies.

TGFC is primarily responsible for managing, settling, mobilizing and monitoring capital, developing and researching financial industries, implementing financial strategies, and maintaining a pool of talents with financial expertise for CTG. Externally, TGFC connects with the capital and fund markets; internally, it improves capital management efficiency and reduces financing costs through providing financial services to all member companies. TGFC has gradually developed businesses such as digital settlement, deposit/loan, investment in securities, entrusted financing and short-term capital allocation. It plays a key role in increasing capital efficiency and cash flow within the Group, reducing the Group's asset liability ratio and cutting financing costs. In 2019, it recorded operating revenue of RMB 2.19 billion and total profit of RMB 1.85 billion.

TGFC obtained the top regulatory rating in 2019.

Three Gorges Capital Holdings Co., Ltd.

Three Gorges Capital Holdings Co., Ltd (CTG Capital) was founded in March 2015 with registered capital of RMB 5 billion. In 2017, strategic investors were invited to increase investment in the company to RMB 7.14 billion, 80% of which was owned by CTG. CTG Capital is mainly engaged in utility investment, equity investment, investment consulting (services), asset management and investment in securities.

CTG Capital proactively implements a strategy of fostering new business development, financial business investments

and financial investments. It focuses on developing new technologies, materials and business models in the clean energy sector and actively incubates emerging industries and future driving forces. By combining industry and financing, CTG Capital strives to maintain sustainable, rapid and healthy growth.

In 2019, CTG Capital investment income reached RMB 2.18 billion, a year-on-year increase of RMB 730 million, fully accomplishing business performance assessment targets.

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