

# 2017 Annual Report

China Three Gorges Corporation

## Basic Information

Chinese Name: 中国长江三峡集团有限公司

English Name: China Three Gorges Corporation

Abbr.: CTG

Legal Representative: Lu Chun

Tel.: 010-5708 1999

Fax: 010-5708 2000

Website: www.ctg.com.cn

Add.: Tower B, No. 1, Yuyuantan South Road, Haidian District, Beijing

Zip Code: 100038



Weibo account: 中国三峡集团



Wechat account: 三峡小微

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Lu Chun  
Chairman of the Board

The year 2017 was an extraordinary year in CTG's reform and development. We closely united around the CPC Central Committee with President Xi as the core, making new headways and reaching new heights in business reform, development, production, operation and party building to "celebrate the 19th National Congress, serve and support the 19th National Congress, learn, spread and implement the guiding opinions of the 19th National Congress".

## Chairman's Letter

This year, we practiced a new thinking of development and strengthened the quality and benefits of development. With a commitment to the general principle of pursuing growth while ensuring stability, we pushed hard to ensure success in upgrading and improving our performance. In addition to an ever optimized asset structure, key indicators, including installed capacity, electricity output, business income and gross profits, also hit record highs to make new contributions to the goal of "keeping growth stable of the national economy, promoting reform, making structural adjustments, improving living standards, and guarding against risks".

This year, we thrived across core businesses in line with national strategies. Under the new mandate issued by the CPC Central Committee and the State Council to play a key role in protecting the Yangtze River eco-system, we are in the process of a momentous historic shift from "building the Three Gorges Project and developing the Yangtze River resources" to "managing the Three Gorges Project and protecting the Yangtze River" and "leaving a beautiful Yangtze River". Baihetan hydropower station, the world's largest hydropower facility currently under construction which ranks second in the world in terms of installed capacity, obtained the approval of the State this year, marking a new milestone of CTG for building two 10-GW giant hydropower plants at the same time for the country.

This year, we stayed strongly committed to deepening reform on all fronts and geared up under new impetus. We conducted several researches issued by the CPC Central Committee and the State Council on reform and development; established the primary framework for reform and development; and identified the approach to reform and development, i.e. serving "six strategies" of the country, building "six platforms", giving full play to "six roles", properly addressing "three relationships", striving to take the lead in "three aspects", pursuing "five transitions" and extending towards "two ends" of the industrial chain. Quickly but steadily, we took comprehensive steps to deepen the institutional reform and adopted corporate systems across the headquarters and all subsidiaries. A model of collective business management is taking shape, aiming to develop specialized business segments that can succeed in the international market. In addition, we took an active part in system reform and mixed-ownership reform of the power industry, in a bid to nurture core competitiveness oriented towards the market and the future at a faster pace.

The year 2018 is upon us. Under the guidance of *Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era*, we will remain true to our original aspiration and keep our mission firmly in mind, moving more enthusiastically, ambitiously, confidently and pragmatically towards a world-class multinational clean energy group. We will work tirelessly to secure a decisive victory in building a moderately prosperous society in all respects and to realize the Chinese Dream of national rejuvenation.



Wang Lin  
President

## President's Letter

The year 2017 witnessed the remarkable success of CTG. Under the firm leadership of the CPC Central Committee and the State Council, our officials and employees, guided by *Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era*, gained a command of and acted on the opinions of the 19<sup>th</sup> National Congress as well as policy decisions and arrangements of the CPC Central Committee and the State Council. Committed to the underlying principle of securing growth while keeping performance stable, we practiced a new thinking for development, assumed all due responsibilities and rose up to challenges and difficulties through sheer endeavors. Great headways were seen in all aspects of development and reform to make us leaner, healthier and better. In addition, we surpassed the annual business targets set by SASAC, reached record levels among all economic indicators including installed capacity, and optimized our business structure to better integrate into and serve the national strategies.

Baihetan hydropower station obtained the approval of the State in 2017. It will be equipped with sixteen 1,000-MW generating units which are made in China with the world's largest unit capacity, marking the first and only attempt of its kind. The cascade complex hit new records, unleashing full potentials of the Three Gorges Project in, flood control, shipping, power generation and ecological protection, etc. Major breakthroughs were made in our way to lead the wind power industry. To be specific, upwards of 10 GW quality resource reserves were captured along the 17,000 km coastline that stretches from Zhuanghe, Dalian in the North to Yangjiang, Guangdong in the South to herald the trend of extensive and intensive development. In addition, we made important strides in going global and won the bid for Moray GW Offshore Wind Project together with Energias de Portugal (EDP) to access the world's largest offshore wind power market. Also, we succeeded in pursuing a development path where we acquire resources, raise funds and sell electricity on the global market, but take a gradual influx of investment yields back to China.

The year 2018 marks the first year of fully implementing the opinions of the 19<sup>th</sup> CPC National Congress. It is also a crucial year for us to put into practice China's 13<sup>th</sup> Five-year Plan (2016-2020) and to insist on high-quality development and nurture global competitiveness. The new era calls for a fresh atmosphere and ambitious endeavors. We'll carry forward CTG's spirit, wisdom and courage, working steadily and in a down-to-earth manner towards newer heights.

# Key Performance Indicators

Electricity Generation in TWh



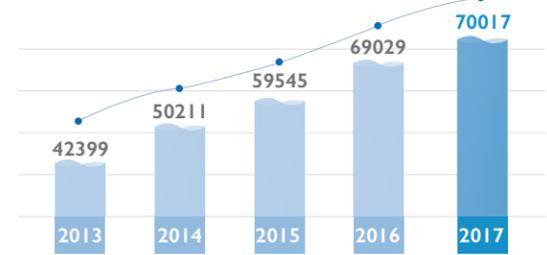
Operating Revenue in RMB bn



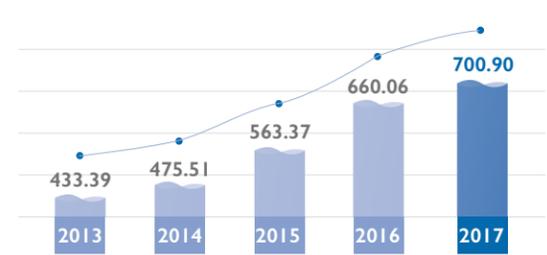
EBITDA in RMB bn



Installed Capacity in MW



Total Assets in RMB bn



Total Tax Paid in RMB bn



Net Profit After Tax in RMB bn



# Company Profile

China Three Gorges Project Corporation was founded on September 27, 1993 upon approval of the State Council and was renamed China Three Gorges Corporation (CTG) on September 27, 2009. It was then changed from an enterprise owned by the whole people to a wholly State-owned company (hereinafter referred to as “CTG” and “the Corporation”) on December 28, 2017. Its main businesses cover the construction and management of hydropower projects, power generation, international investment and contracting, development of wind power and solar energy among other renewable energy development, comprehensive development and utilization of water resources, as well as providing relevant professional technical services. After two decades of rapid growth, CTG has become the largest hydropower development enterprise worldwide and the No.1 clean energy group in China. Looking into the future, CTG will strive to serve the Yangtze River economic belt development, “Belt and Road” initiative and other major national strategies; to integrate itself deeper into the Yangtze River Economic Belt and play a key role in protecting the Yangtze River eco-system; to offer fundamental supports for regional sustainable development; to lead the upgrading and innovation efforts of the clean energy industry; to deepen reform and step up towards the goal of an innovative world-class multinational clean energy group of global competitiveness.

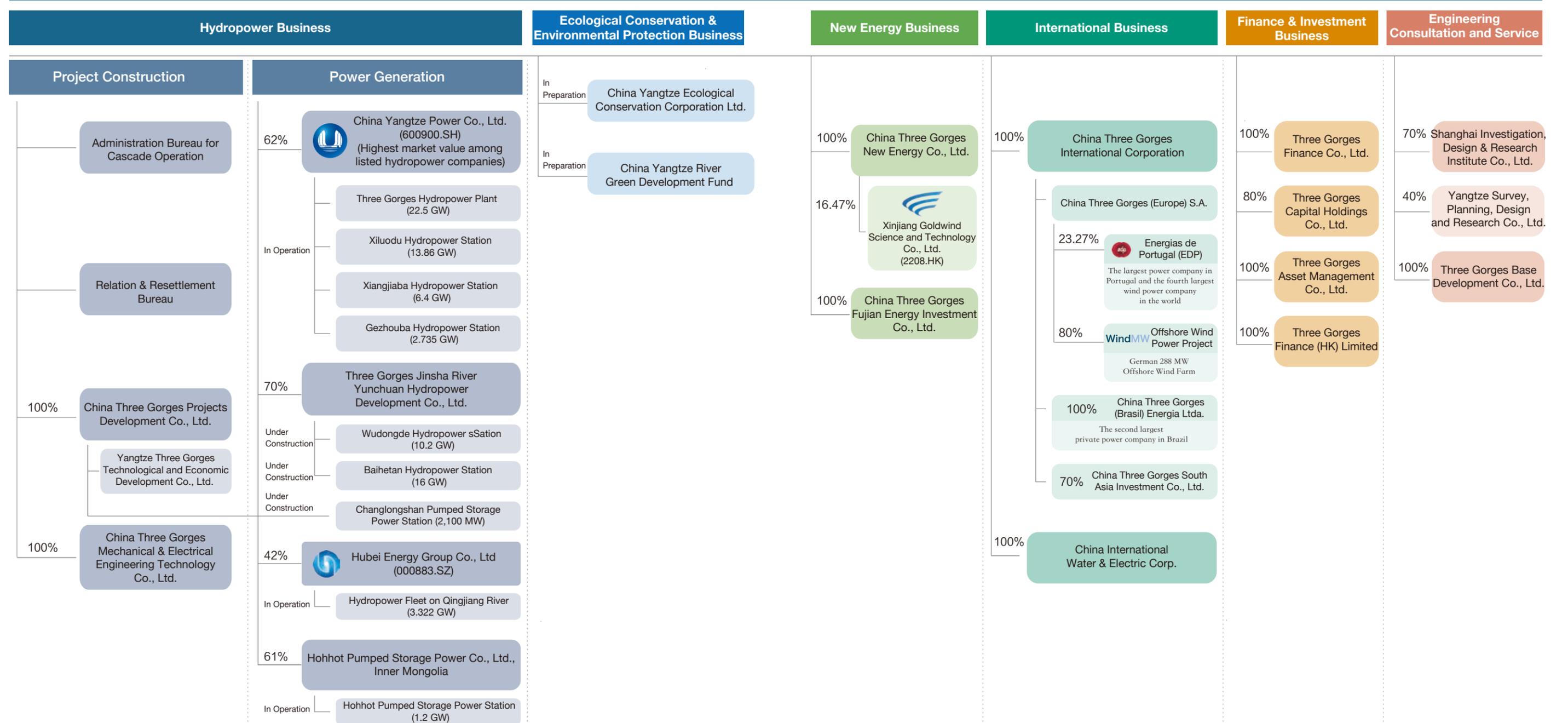
By the end of 2017, CTG’s consolidated installed capacity had exceeded 70 GW. The total installed capacity including capacities that were commissioned, under construction and on a minority-equity basis, had reached 124 GW. Renewable clean energy accounted for 99% of the total mix, while controllable hydropower capacity represented 15% of the total installed capacity of hydro in China. The assets of the corporation reached RMB 700 billion. CTG ranked high among all central enterprises in terms of total profit, net profit attributable to the parent company, ratio of profit to cost, overall labor productivity, per capita profit, and per capita tax.

CTG is responsible for the overall construction and operation of the Three Gorges Project. After two decades of hard work, the preliminary design and construction work of the Project was completed as scheduled in 2009. Trial operation of the ship lift began in September 2016. Upon authorization of the State, CTG has developed and operated a hydropower cascade composed of four world-class large hydropower plants (i.e. Xiluodu, Xiangjiaba, Wudongde and Baihetan) on the lower reaches of the Jinsha River. CTG also focuses on wind power, solar power, and other new energy sources as its second principal business, aiming to lead the development of offshore wind farms. In addition, CTG has quickened its global steps and strived to help the entire Chinese hydropower industrial chain go global. As yet, CTG’s overseas investment and contracting business has expanded to over 40 countries and regions in Europe, America, Africa and Southeast Asia.

As the new era is unfolding before us, CTG has spared no effort in “building a power station to stimulate local economy, improve local environment and benefit resettled residents” in the spirit of “serving the country and its people, respecting life and the great nature, blazing new trails in a down-to-earth manner, pursuing win-win partnership with an open and inclusive mindset, and keeping good faith and professional ethics”, and has fulfilled all due social responsibilities as a central enterprise. In addition to flood control, water preservation, energy saving, emission reduction and other ecological benefits that can be expected out of a cascade development, CTG has pursued social and economic benefits through engineering/technical measures and scientific regulation efforts as well. Besides, CTG has been an active player in targeted and precision poverty relief, and provided assistance to Xinjiang and Tibet, among others. CTG has also coordinated hydropower development with efforts to provide material benefit to the resettled local populations, protect the ecological environment, and promote local economic and social progress, so as to share the achievements of reform and development with a larger population.

CTG has wholly-owned and share-controlled subsidiaries, including China Three Gorges Project Development Co., Ltd., China Yangtze Power Co. Ltd. (a listed company), China Three Gorges International Corporation, China Three Gorges New Energy Co., Ltd. and Hubei Energy Group Co., Ltd. (a listed company), China International Water & Electric Corp., Three Gorges Capital Holdings Co., Ltd.

# Our Business



## Board of Directors



**Lu Chun**  
Chairman of the Board



**Wang Lin**  
Director



**Ding Zhongzhi**  
Outside Director



**Wang Zhisen**  
Outside Director



**Li Yanbin**  
Outside Director



**Zhang Yuanrong**  
Outside Director



**Tian Zexin**  
Employee Director

## CTG Executive Team



Lu Chun, Chairman of the Board of Directors (5<sup>th</sup> from right)  
 Wang Lin, Board Director, President (4<sup>th</sup> from right)  
 Lin Chuxue, Executive Vice President (4<sup>th</sup> from left)  
 Sha Xianhua, Executive Vice President (3<sup>rd</sup> from right)  
 Wang Liangyou, Executive Vice President (3<sup>rd</sup> from left)  
 Yang Ya, Chief Financial Officer (2<sup>nd</sup> from right)  
 Long Fei, Head of Discipline Inspection Group (2<sup>nd</sup> from left)  
 Fan Xiaxia, Executive Vice President (1<sup>st</sup> from right)  
 Zhang Dingming, Executive Vice President (1<sup>st</sup> from left)

# Core Values



# Development Strategy

## Strategic Positioning

Serve the Yangtze River Economic Belt development, “Belt and Road” Initiative and other major national initiatives; integrate CTG deeper into the Yangtze River Economic Belt and play a key role in protecting the Yangtze River Eco-system; offer fundamental supports for regional sustainable development; lead the upgrading and innovation efforts of the clean energy industry; deepen reform and step up towards the goal of an innovative world-class multinational clean energy group of global competitiveness.

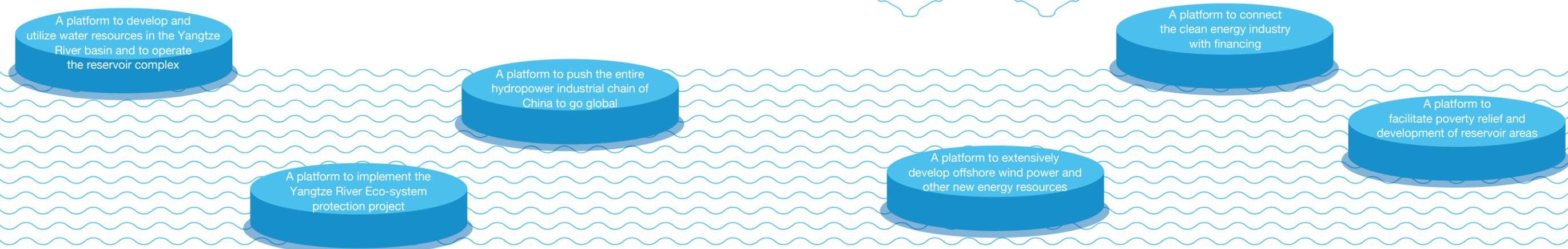
## Vision

In light of the mission in the new era, we will extend towards “two ends” of the hydro-power industrial chain, give full play to “six roles”, build “six platforms”, strive to take the lead in “three aspects”, and pursue “five transitions” at a faster pace, with an aim of becoming a world-class multinational clean energy group by the year 2020.

## Two Ends

Extend CTG’s business towards two ends - one being protecting water environment, ecosystem and resources, and another being power distribution and power supply - to contribute to freshwater protection, power system reform and mixed-ownership reform of China.

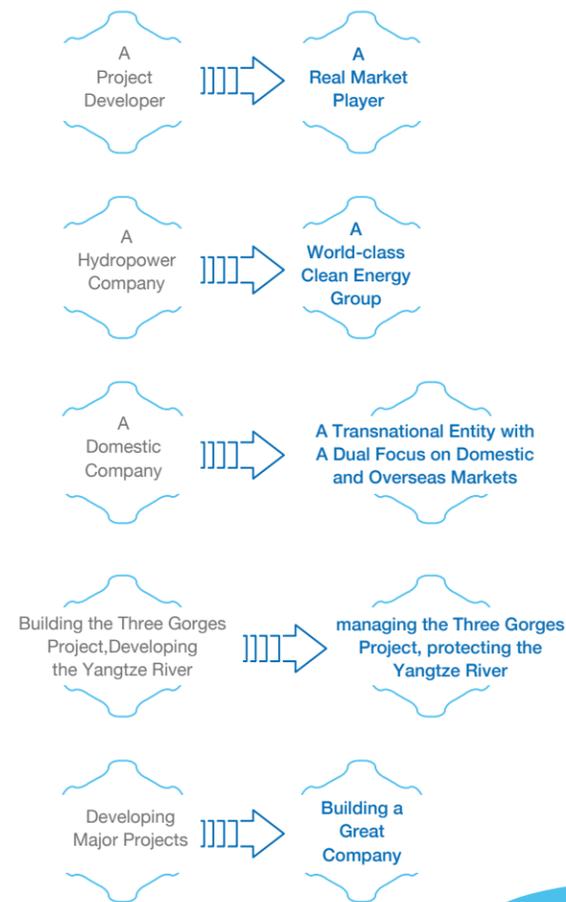
## Six Platforms



## Three Priorities

- Pursue sustainable development of the global hydropower industry
- Push the entire hydropower industrial chain of China to go global
- Blaze new trails in offshore wind power and other new energy development

## Five Transformations



## Six Roles

# Business Development

## Development and Operation of Large Hydropower Projects



## Large Hydropower Projects in Operation

CTG's large hydropower facilities, as industrial pillars of China, have been a huge energy pool for national and social development and a major contributor to the Chinese dream of the great rejuvenation of the Chinese nation. CTG runs 9 hydropower plants, in operation or under construction, along the mainstream of the Yangtze River and its tributary Qing River, with a total installed capacity of 75 GW. Five reservoirs which support a flood-control capacity of 28.7 billion cubic meters are included in the joint operation on the upper and middle reaches of the Yangtze River, accounting for 70% of the total capacity that the operation could deliver, to ensure safety, energy supply and ecological protection for the Yangtze River Economic Belt.

CTG operates and manages four cascade hydropower stations in a systematic manner along the mainstream of the Yangtze River, i.e. Xiluodu, Xiangjiaba, Three Gorges and Gezhouba Projects. In 2017, the cascade reservoirs retained approximately 12.9 billion cubic meters of floodwater through joint operation, and replenished 31.06 billion cubic meters of water flowing downstream in the dry season. Four cascade hydropower plants generated 210.89 TWh of electricity, equivalent to a reduction of 65.8 million tons in standard coal, cutting 173.35 million tons of carbon dioxide and 820,000 tons of sulfur dioxide emissions. It was the first time that annual generation exceeded 210 TWh and set a new record since 2016. Through a series of water-saving measures, another 9.63 TWh power was generated. In this way, comprehensive benefit of four cascaded hydropower plants has been fully exerted.



### Three Gorges Project

The Three Gorges Project (TGP) maintained a sound performance in 2017, thanks to steady dam operation, safe and stable power units, and efficient double-way five-stage ship locks. The ship lift passed trial navigation test. Comprehensive benefits of flood control, power generation, shipping, water replenishment and environmental protection were delivered.

### Environmental Protection

In 2017, Sediment load reduced by some 79% from the 2003-2016 y-o-y average. Water quality in the mainstream and tributaries in the reservoir area improved over 2016, as evidenced by 100% II-III water quality among monitored mainstream sections. 47,000 cubic meters of floating debris were cleaned up before the dam and hauled out for harmless disposal. TGP, on its own or in joint operation with Xiangjiaba hydropower station underwent two ecological regulation tests. Nearly 20 species of fish which produce drifting roes downstream of TGP in the Yichang section of the Yangtze River laid some 2 billion eggs, where 1.08 billion belonged to four major Chinese carps, reaching a historically height in years.

### Flood Control and Water Replenishment

In 2017, TGP reservoir received 421.4 billion cubic meters of water, 6.6% less than the annual average. During the flood season, approximately 12.9 billion cubic meters of floodwater were retained through joint operation of the cascade complexes (TGP, Xiangjiaba and Xiluodu). When the "No.1 flood" hit the Yangtze River, TGP reservoir reduced the rate of water discharge from 28,000 cm<sup>3</sup>/s by up to over 70% to 8,000 cm<sup>3</sup>/s through five operations within two days under the support of Xiluodu and Xiangjiaba hydropower stations. The water level in the middle and lower mainstream of the Yangtze River was lowered greatly for flood control and disaster reduction purposes. In addition, TGP reservoir replenished the water-owing downstream with 23.294 billion cubic meters of water in total for 177 days during the drawdown period and achieved its 175m impoundment target for the eighth consecutive years within the shortest and earliest time in history.

### Improving Shipping Conditions

In 2017, the ship locks operated efficiently and safely for the 14<sup>th</sup> consecutive year, and hit a record high with a passage of 130 million tons of cargo, 396,000 passengers and 43,000 ships. In addition to a 91.78% navigation rate which exceeded the designed 84.13%, the ship locks also registered a 100% key equipment readiness to ensure smooth navigation along the Yangtze River. Since the ship lift entered its trial stage, 2,547 vessels, 57,000 passengers and 574,000 tons of shipment have been passed soundly and safely in 2,526 runs of the lift to increase TGP's benefits.



TGP's five-stage ship lock



TGP's ship lift finished full-scale trials

### Providing Clean Energy

In 2017, the power units of the Three Gorges Hydropower Station ran smoothly and generated 97.6 TWh of electricity, reaching the 3<sup>rd</sup> highest level in history and making it the world's No.1 facility in terms of electricity generated by single power plant in 2017. In addition, there was zero non-scheduled stop cross all power units throughout the year, marking another milestone in TGP's optimized operation and management, and a new height of core control over giant hydropower generators. Through joint operation of cascade reservoirs, optimal regulation against medium/small floods and elimination of floating debris for good water head, an additional 5.36 TWh of electricity was generated to turn hydropower into better use and increase the benefits of TGP.



TGP had cumulatively generated over 1,000 TWh green power on March 1, 2017



## Gezhouba Hydropower Plant

Go down the Yangtze River for about 2,300 meters after passing through the Nanjin Pass is the Gezhouba Hydropower Complex which is part of the navigation cascade. It lies 38,000 meters downstream of the TGP to re-regulate its unsteady flow and generates power by utilizing the fall of water level. It is the first large-scale hydropower complex ever built on the mainstream of the Yangtze River, and the largest run-of-the-river hydropower plant with low water head and high flow.

Gezhouba hydropower station commenced construction in May 1971 and was completed in December 1988.

In 2017, Gezhouba set a new record for the 4<sup>th</sup> year in a row with an annual output of over 19 TWh.

**19.05**<sup>TWh</sup>  
Annual Output

Set a New record



Gezhouba Hydropower Plant



## Xiluodu Hydropower Plant

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

It contains eighteen 770 MW units with a total installed capacity of 13.86 GW, and will generate an annual average of 61.62 TWh electricity on the long run. At normal impoundment level, it can support a reservoir capacity of 11.57 billion cubic meters, including 4.65 billion for flood control purpose.

Xiluodu hydropower station began its 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 last on June 30, 2014. In September 2016, Xiluodu hydropower station won the FIDIC Outstanding Project of the Year Award 2016.

**61.39**<sup>TWh</sup>  
electricity throughout the year 2017

Reaching a  
Record High



Xiluodu Hydropower Plant



## Xiangjiaba Hydropower Plant

As the 5<sup>th</sup> largest hydropower plant in China and the last step of the cascade development on the lower mainstream of the Jinsha River at the intersection of Yunnan Province and Sichuan Province, Xiangjiaba hydropower station serves as a major source for transmitting electricity from the western areas to East China. In addition to the main duty of power generation, it also offers the benefits of silt retention, flood control, downstream navigation improvement, irrigation and re-regulation of the Xiluodu utility, among others.

The construction of Xiangjiaba hydropower station began in 2006, before the river was diverted around the construction site in 2008. The impoundment began on October 10, 2012. The first generating unit was commissioned on November 5, 2012, and the last on July 10, 2014. In 2016, the hydropower station passed the safety assessment designed for hydropower complexes upon completion. In 2017, Xiangjiaba ship lift accomplished the first full-scale trial operation with a maximum hoisting height of 114.2 meters, which is currently the world's highest record. Its lifting capacity can reach up to about 1,000 tons.

**32.845**<sup>TWh</sup>  
electricity throughout the year 2017

Saw Zero Incidence  
of Non-Scheduled  
Stops

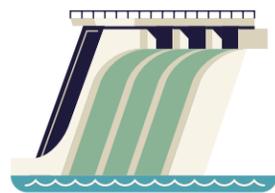


Xiangjiaba Hydropower Plant

## Large Hydropower Projects under Construction

CTG keeps acting upon and refining the concept of “introducing projects featuring excellence, innovation, integrity that serve people’s livelihood and green development” and is dedicated to making Wudongde and Baihetan hydropower stations pillars of a great power in the new era with a greater sense of responsibility and a higher set of standards. As a firm believer that “lucid waters and lush mountains are our treasure troves”, CTG aims to develop “green, excellent, exemplary, harmonious and innovative” Changlongshan facilities to lead China’s pumped storage hydropower stations towards new success.

### Installed Capacities



**Wudongde  
hydropower station**

10.2<sub>GW</sub>



**Baihetan  
hydropower station**

16<sub>GW</sub>



**Changlongshan  
Pumped Storage  
Power Station**

2.1<sub>GW</sub>



Baihetan Hydropower Station Construction Kickoff Meeting



Wudongde Hydropower Plant



## Wudongde Hydropower Plant

Located on the lower mainstream of the Jinsha River at the intersection of Yunnan Province and Sichuan Province, Wudongde Hydropower Station is the 7<sup>th</sup> largest hydropower plant in the world. It serves as a major source for transmitting electricity from the western areas to East China, a key to China’s Western Development Campaign and a major project to support the country’s “13<sup>th</sup> Five-year” plan. It carries considerable significance to promoting the national energy restructuring campaign, energy saving & emission reduction, economic rise of the western part of China, and regional social and economic progress. In addition to its main function of power generation, it also offers benefits in fields such as flood prevention, shipping improvement, and the promotion of local economic and social development.

Wudongde hydropower station is designed to be equipped with 12 generators, each with a generating capacity of 850 MW, to

reach a total installed capacity of 10.2 GW and an estimated annual output of 38.91 TWh.

The preparatory work for Wudongde hydropower station began in 2011 and the construction of the main part commenced in December 2015 upon approval of pertinent national authorities. The first generators are expected to be commissioned in August 2020, and all units will be put into service in December 2021.

In 2017, Wudongde hydropower station started dam concrete placement and equipment installation. Low-heat cement, non-cover-weight consolidation grouting and life-cycle smart manufacturing techniques were applied across the entire dam. The underground part adopted new technologies, new materials and new processes to overcome geological complexities and engineering challenges.

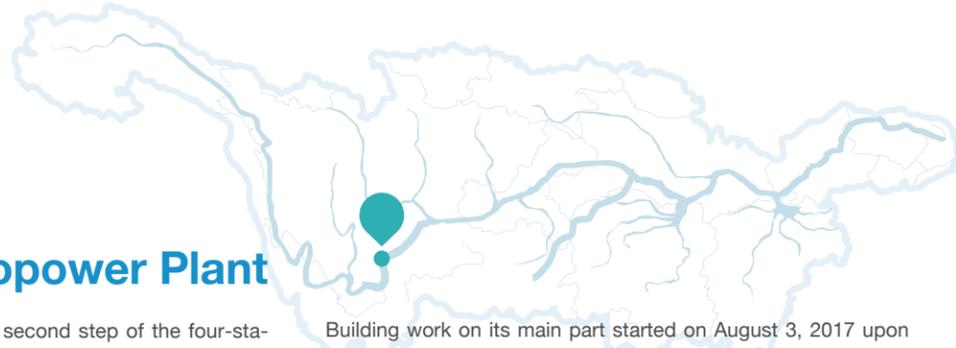
## Baihetan Hydropower Plant

Baihetan hydropower station, the second step of the four-station cascade on the lower reaches of the Jinsha River, is the fourth large utility to pass the 10GW milestone in China, after the TGP, Xiluodu hydropower station, and Wudongde hydropower station. It is the largest power plant currently under construction in the world, with the 2<sup>nd</sup> largest installed capacity. It is also one of the key sources for transmitting electricity from the western areas to East China. Once completed, the hydropower station will not only perform its main duty of power generation, but also offer such benefits as preventing floods, promoting local economic and social progress, and lifting the resettled local population out of poverty. Silt retention, downstream navigation improvement and the formation of a navigational course in the reservoir area will also be expected.

Baihetan hydropower station, with an installed capacity of 16 GW, guarantees an output of 5.5 GW and generates an average 62.521 TWh 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 allows a flood control capacity of 7.5 billion cubic meters.



Baihetan Hydropower Plant



Building work on its main part started on August 3, 2017 upon approval of the State Council, marking a new age of “GW-level unit” for the world’s hydropower sector. Several new world records have been hit: single-unit capacity reached 1 GW for the first time; the world’s best shake-proof performance among 300m+ dams; the world’s largest cylindrical tailrace surge tank; the world’s largest free flow section; and the world’s first application of low-heat cement across the entire 300m+ dam. It also outperforms the vast majority of engineering works in technical complexity.

Once completed, Baihetan hydropower station will transmit a large amount of electricity across a long distance, going one step further towards the goal of an interconnected national grid, and pushing the survey, design, engineering, and operation ability as well as core competitiveness of China’s hydropower industry up to a higher level.

Baihetan hydropower station started concrete placement in 2017 to reach a maximum elevation of 598m, with a maximum increase of 53m.

## Changlongshan Pumped Storage Power Station

Changlongshan Pumped Storage Power Station, which operates on a daily regulation cycle, is the second pumped storage power plant invested and constructed by CTG, 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 for greater economic efficiency, stability and safety. It is also of great significance for driving local economy and employment as well as promoting steady growth, structural adjustments, and higher living standards.

As planned, Changlongshan Pumped Storage Power Station will have six 350 MW reversible pump-turbine generating units and,

with a total installed capacity of 2,100 MW, will rank third in size among all completed and ongoing constructions of pumped storage power plants in China. In addition, a 710m rated water head will make it the power station with highest water head in China, and the second highest in the world. The Station officially commenced construction in 2015.

River closure was completed in 2017, followed by all-round engineering works of the main part.

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



Changlongshan Pumped Storage Power Station (Planned Aerial View)

## New Energy Development

Our new energy business gained further momentum in 2017, expanding footprints to 31 provinces, autonomous regions, and municipalities directly under the Central Government. In addition to 820 MW newly installed capacity, another 3380 MW were filed or approved this year. Rooftop distributed PV, distributed wind power and other new businesses launched trial projects. The centralized new energy monitoring system was established and put into trial operation. New energy projects, including wind and PV farms, reached an installed capacity of over 8.2 GW and an annual power output of 13.3 TWh.



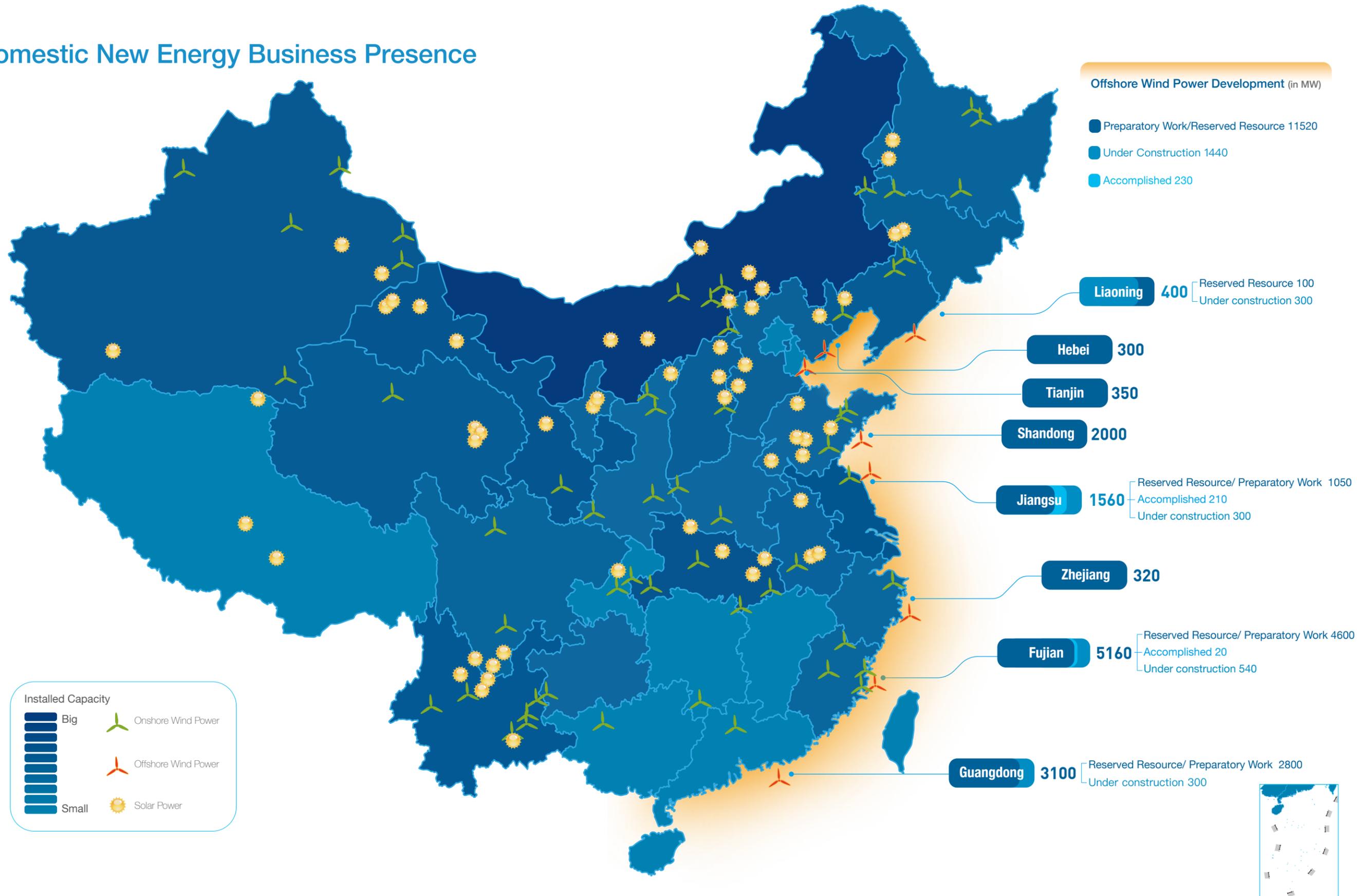
**3380**<sub>MW</sub>  
Newly filed or approved Installed capacity

**13.3**<sub>TWh</sub>  
Annual power output

Over **8.2**<sub>GW</sub>  
Total installed capacity



# Domestic New Energy Business Presence



## Onshore Wind Power Development

CTG has optimized the strategic layout of onshore wind power business on a constant basis. Through independent development and acquisition, we have enhanced access to wind power resources in Central, East and South China, especially in Qinghai, Ningxia, etc.

### Highlights

The **70** MW Wind Power Project in Tiechang County, Sichuan – **the highest** wind farm of CTG – was connected to the power grid.

As **the first** wind power invested and developed by CTG in Shaanxi, the **50** MW Phase I Wind Project in Wangjiaping, Suide County was connected to the power grid.

The **49.5** MW Phase I Wind Project in Xitieshan, Qinghai was connected to the power grid.

As **the first** wind power project wholly invested and developed by CTG in Shandong, the **60** MW Wind Project in Liutuan Town, Changyi, Shandong officially commenced construction.



Diaobingshan Wind Farm, Liaoning



Wind Power Project in Tiechang County, Sichuan

## Offshore Wind Farms

To fulfill the important mission assigned by the State to lead China's offshore wind power business, CTG has acquired 13.19 GW resources from Fujian, Guangdong, Shandong, Liaoning and Tianjin, among other municipalities and provinces. Zhuanghe (Dalian), Dafeng (Jiangsu), Yangjiang (Guangdong) and Xinghua Bay Phase II (Fuqing), etc. were approved for construction. Projects currently under construction amounted to a capacity of 1.44 GW; 230 MW were commissioned. An intensive and extensive layout of wind power facilities and its industrial effects have basically taken shape.

### Highlights

**A break-through from zero** on China's GW offshore wind power development was realized – preparatory work kicked off at Liuaio and Changle GW Offshore Wind Farms in Fujian.

Construction commenced at CTG **300** MW Offshore Wind Project in Zhuanghe of Dalian City, Liaoning Province, **the first** offshore wind power project in Northeast China.

**A new record was set** – Fuqing Xinghua Bay Phase I Offshore Wind Farm was put into operation, while the **280** MW Phase II Wind Farm was approved for construction.

Construction commenced at Yangxi Shapa **300** MW Offshore Wind Farm, CTG's **first offshore wind power project** in Guangdong.

Xiangshui 202 MW Offshore Wind Farm, **the largest offshore wind power project** currently in operation in China, was aligned to the technical standards of WindMW Offshore Wind Farm and achieved an annual output of **0.45** TWh.

Construction began at CTG Offshore Wind Power Industrial Park in Fujian. The first companies signed contracts to move in.

“**Fu Chuan San Xia**”, with **the best** comprehensive performance among China's integrated offshore wind power platforms, was built to promote the application of domestic equipment across offshore wind power projects and drive coordinated progress of the entire industrial chain.



## Photovoltaic Business

Active efforts were made in combining photovoltaic technologies with traditional industries like ecological planting, agri-tourism and science education. By the end of 2017, we had a photovoltaic generation capacity of 2.8 GW.

### Highlights

The **150** MW Floating Photovoltaic Plant located in Huainan, Anhui Province, is **the world's largest** solar power project that uses the water surface from an area of coal mining subsidence (PV + fishery).

Quyang **200** MW Photovoltaic Plant in Hebei is **China's largest** photovoltaic program in mountainous areas (PV + educational base).

Jilin Shuangliao Agricultural PV Project (PV + farming and animal husbandry)

Dazhaitan Photovoltaic Plant in Gansu Province, with a dual focus on power generation and sand control, is an innovative solution to desertification for our country (PV + sea buckthorn).

Floating Photovoltaic Plant in Huainan, Anhui Province



## International Operation, Exchange and Cooperation

In 2017, in line with the "Belt and Road" initiative, CTG signed a number of cooperation agreements in the presence of State leaders. We kept improving corporate systems to push international business operation and management to ever higher levels.

As of the end of 2017, CTG's consolidated installed capacity, capacity under construction and installed capacity on a minority-equity basis on overseas markets reached 8,534 MW, 980 MW and 8,180 MW, respectively.

### International Projects

**38** TWh  
Electricity were generated

RMB **18.23** billion  
Operating revenue

RMB **4.8** billion  
Total profits

## Overseas Investments

In February 2017, Karot hydropower station in Pakistan achieved financial close and signed the power purchase agreement.

In March 2017, Pakistan Wind Power Phase II Project achieved financial close. The first wind turbine was installed on September 18, marking the beginning of turbine installation work.



Financial close ceremony of Karot hydropower station and Pakistan Wind Power Phase II Project



Construction was commenced at the site of Pakistan Wind Power Phase II Project

In September 2017, CTG and Energias de Portugal (EDP) won the bid for 0.95 GW Moray offshore wind project.



CTG signed "Strategic Cooperation Framework Agreement on Joint Development of Third-party Markets" with EDP

In September 2017, San Gaban III Hydropower Project - CTG's first green field project in Peru - kicked off construction.



San Gaban III Hydropower Project Rendering

## International Contracting

In February 2017, the first unit at the Upper Atbara Dam Complex (Sudan) was put into production.



Upper Atbara Dam Complex, Sudan

In December 2017, Isimba Hydropower Project in Uganda started mechanical and electrical installation and commissioning work.



Isimba Hydropower Project, Uganda

## Overseas Hydropower Station Operation



**In December**

the first unit of Sao Manoel Hydropower Plant (Brazil) was connected to the power grid five months ahead of schedule.



**In November**

the first units of Jupia and Ilha Solteria Plants were halted successively for technical revamp.

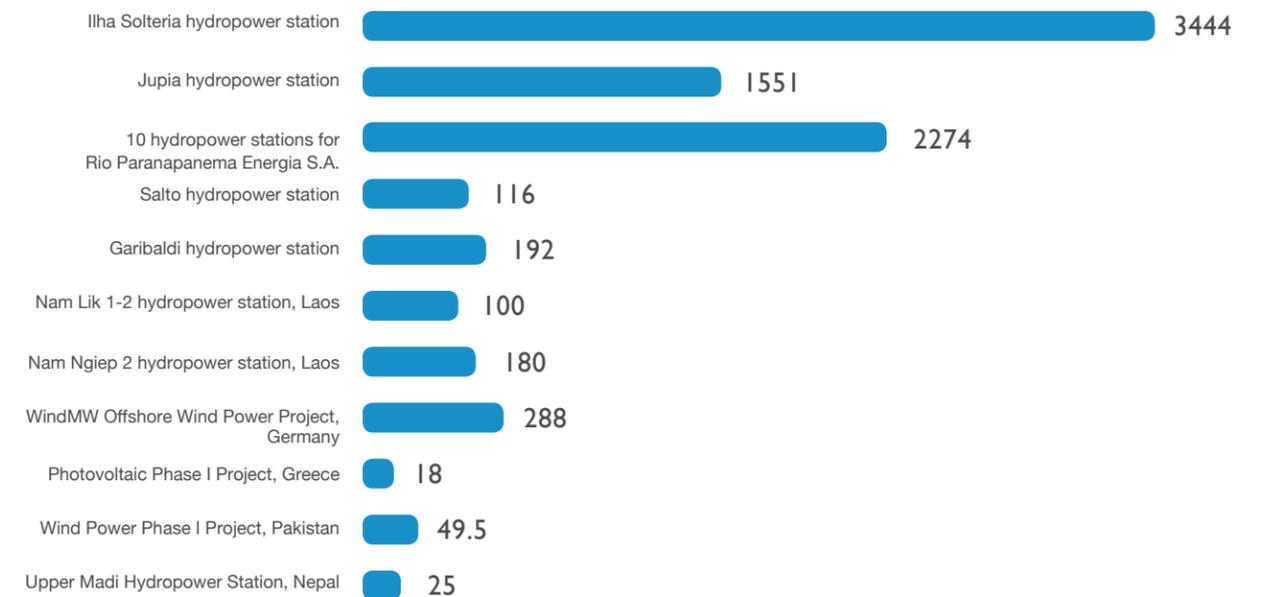


**Throughout the year**

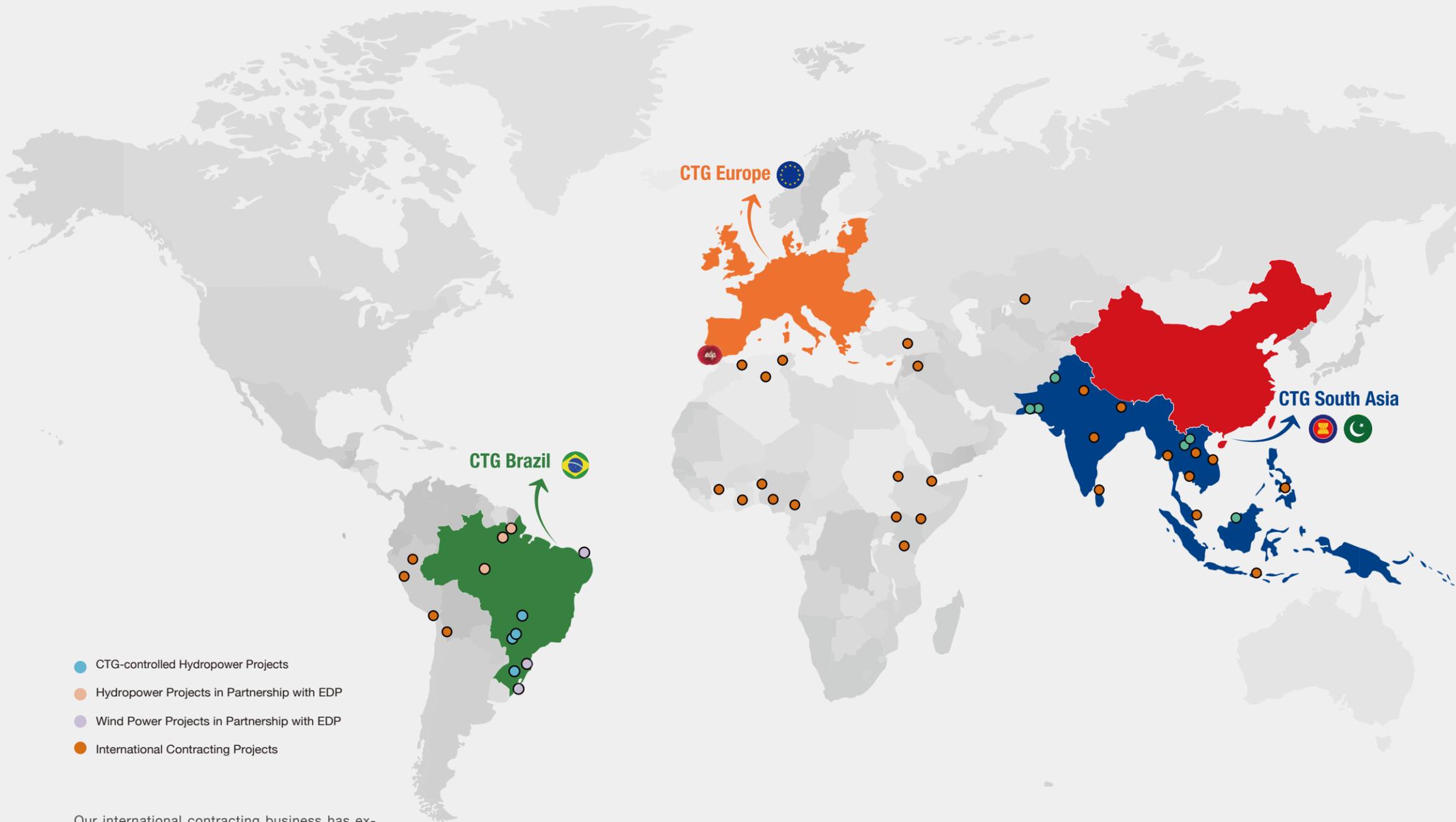
German offshore wind park Meerwind generated 1,223 GWh electricity

## By the end of 2017, CTG's overseas projects included

in MW



## Global Business Presence



Our international contracting business has extended to Asia, Africa, Europe and America. The projects under construction are located mainly in Guinea, Ghana, Sudan, Malaysia, the Philippines and Ecuador, among others.

### CTG Brazil

Brazil, the second largest producer of hydroelectric power in the world, possesses an extensive array of resources and a mature market. CTG is the second largest non-state-owned power company and the largest non-state-owned clean energy company in Brazil.

- In 2014, we invested in three medium-sized hydropower plants (Jari, Cachoeira and Sao Manoel) in partnership with Energias de Portugal (EDP), and acquired a 49% stake in a Brazilian wind power management company (11 wind farms in total).
- In 2015, we acquired a 100% stake in Garibaldi and Salto Hydropower Plants in Brazil.
- In 2015, we won the bid for a 30-year concession of Jupia and Ilha Solteira Hydropower Plants in Brazil.
- In 2016, we acquired 10 hydropower stations of the American firm Duke Energy in Brazil with a total installed capacity of 2.274 GW.

### CTG Europe

The European market is another focus for us to develop clean energy sources overseas. CTG has established a strategic partnership with EDP for onshore and offshore wind projects in Europe (France, UK, etc.), and combined our expertise and strengths to co-develop small and medium-sized hydropower units via Hydro-Global JV.

- In 2012, we took a 21.35% equity of EDP, becoming the utility's single largest shareholder.
- In 2016, we acquired an 80% stake in the Germany WindMW Offshore Wind Farm.
- In 2016, we bought back a 49% stake in EDRPPT.
- In 2016, we acquired a 49% stake in Polish and Italian onshore wind assets.
- In 2017, we took over a minority stake in Portuguese ENEOP wind power project.
- In 2017, CTG and Energias de Portugal (EDP) won the bid for Moray offshore wind project.

### CTG South Asia

We engaged broadly with neighboring countries and regions that have a favorable geopolitical environment and an ability to transmit power back to China, in developing clean energy sources.

- In 2014, CTG Wind Farm I Project (Pakistan) was put into operation. In 2016, construction was commenced at II and III projects.
- In 2015, Karot Hydropower Plant in Pakistan (a project listed in the China-Pakistan Intergovernmental Joint Declaration) broke ground. The construction of the main part commenced in 2016.
- In 2016, Kohala hydropower station project in Pakistan completed the EPC bidding process.
- In 2017, Karot project realized financial close. The construction work was then commenced.

## International Exchange and Cooperation



Lu Chun, Chairman of CTG signing the agreement with Hubert Lienhard, then President of the Voith Group

In July 2017, Chinese President Xi Jinping and German Chancellor Merkel witnessed the signing of an agreement between CTG and the Voith Group. The agreement facilitates the two groups' strategic cooperation on developing Zhejiang Changlongshan pumped storage power station and promoting hydropower business in African markets.

In June 2017, Chinese Premier Li Keqiang and German Chancellor Merkel witnessed the signing of an agreement between CTG and the Voith Group. The agreement covers modernization of power units for the Ilha Solteira and Jupia power stations in Brazil. Lu Chun was also invited to attend the fourth meeting of China-Germany Economic Advisory Committee.



Lu Chun, Chairman of CTG signing the agreement with Hubert Lienhard, then President of the Voith Group



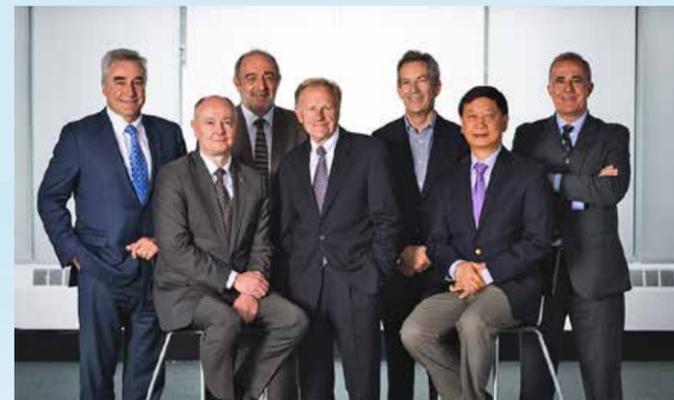
Offshore wind power seminar jointly organized by CTG and UK's Department for International Trade

In March 2017, CTG and UK's Department for International Trade jointly organized Sino-UK Offshore Wind Power Seminar in Beijing. Through information sharing on UK's offshore wind power development, the seminar aimed at finding solutions to increase efficiency and reduce costs for Chinese offshore wind projects.



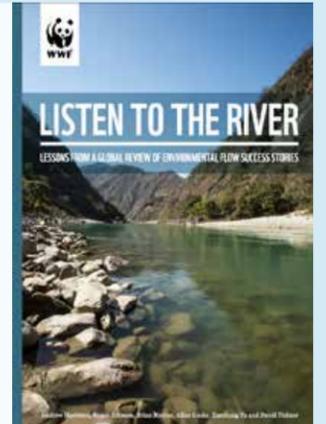
President Wang Lin exchanging ideas with African delegates

In May 2017, CTG attended the 2017 World Hydropower Congress in Ethiopia. The theme for this year's conference was "Better Hydro in an Interconnected World".



Lin Chuxue, Executive Vice President of CTG, re-elected as IHA Vice President

In September 2017, Lin Chuxue, Executive Vice President of CTG, was elected Vice President of International Hydropower Association (IHA) for the third term. He will represent China in developing and implementing IHA strategies to drive sustainable growth of hydropower in the world.



In October 2017, ten years after the Brisbane Declaration was launched, the World Wildlife Fund (WWF) published a new report Listen to the River at the 20th International River Symposium in Brisbane, Australia. Three Gorges Dam was included in the report as a successful case from China for its excellent work in ecological operation.



In October 2017, CTG published the Chinese and English version of Sustainable Development Policy and Ethical and Compliance Principle. These two publications provide guiding principles for CTG's sustained success and global revenue growth. They also form the basis for CTG's communication and collaboration under a shared value with the global community.

## Investment and Finance

RMB **30** billion

The scale of the funds under management of Three Gorges Capital Holdings Co., Ltd. (TGCHC) stand

三峡资本控股有限责任公司增资协议签署仪式



Increasing investment for TGCHC

### Increasing investment for TGCHC

In 2017, investment for TGCHC has been increased. External shareholders were invited to increase diversity.

Fund management platform was built and the scale of the funds under management reached RMB 30 billion.

### Implementing asset rotation plan to optimize the equity investment structure

The holding of the equity with strategic synergy benefits were increased to facilitate Yangtze River Basin joint operation.

### Issuing the first Euro green bond

In June 2017, CTG printed a EUR650 million 7-year Green Bond, marking its first green bond issuance in the offshore market, as well as the first Euro green bond issued by a Chinese entity.

### Issuing short-term bond through Bond Connect

In July 2017, CTG completed its first issuance of RMB 2 billion short-term commercial papers, becoming one of the first companies to issue through Bond Connect.

### Issuing non-guaranteed corporate bonds in Brazil for the first time

In August 2017, CTG Brazil's Rio Paranapanema Energia S.A. issued BRL 420 million infrastructure bonds, marking the first time CTG Brazil issued bonds in local currency. It is also the first time CTG issued unsecured debentures on the basis of its overseas project returns.

### Awarding the highest rating from Moody's

In December 2017, CTG Brazil's Rio Paranapanema Energia S.A. received the highest rating from Moody's. The company was rated Aaa on the Brazilian national scale and Bb1 on the global scale.

### Awarding the Corporate Finance Transparency Award

In October 2017, CTG Brazil's Rio Paranapanema Energia S.A. was awarded the 2017 Corporate Finance Transparency Award at 21st Brazil Credit Company Finance Transparency Competition in Sao Paulo, Brazil.



CTG, as the first Chinese company, to issue Euro Green Bond in Edinburgh



Issuing bonds in Real

## Financial Indicators

Item	2013	2014	2015	2016	2017
Total assets (RMB billion)	433.83	475.51	563.37	660.06	<b>700.90</b>
Equity attributable to parent company (RMB billion)	216.75	236.87	245.99	268.95	<b>279.29</b>
Operating revenue (RMB billion)	42.59	63.00	63.52	78.31	<b>90.00</b>
Net Profit (RMB billion)	17.63	25.97	28.82	23.92	<b>34.30</b>
Ratio of costs and expenses to revenue (%)	67.6	60.4	63.1	62.6	<b>64.0</b>
EBITDA (RMB billion)	32.10	49.22	50.39	61.84	<b>65.88</b>
Return on equity (%)	7.5	9.9	9.9	7.3	<b>9.5</b>
Interest bearing net debt (RMB billion)	127.26	130.63	147.04	191.23	<b>223.73</b>
EBITDA interest coverage (X)	4.9	6.8	7.0	6.0	<b>6.2</b>
Interest bearing net debt / EBITDA (X)	4.0	2.7	2.9	3.1	<b>3.4</b>
Total interest-bearing liabilities / Total assets (%)	33.6	31.3	34.8	36.0	<b>37.0</b>
Asset liability ratio (%)	43.00	42.14	45.08	46.90	<b>47.00</b>

Financial Statements



Consolidated Balance Sheet  
31 December 2017

Company Name: China Three Gorges Corporation	Item	Note VIII	As at 31 December 2017	As at 31 December 2016
<b>Current assets:</b>				
△ Cash at bank and on hand	1		36,246,340,505.63	46,871,765,154.25
△ Scripless reserve				
△ Deposits from banks and other financial institutions	2			346,500,000.00
△ Financial assets at fair value through profit or loss	3		929,860,198.16	659,975,882.28
△ Derivative financial assets				
Notes receivable	4		652,945,898.31	761,241,444.26
Accounts receivable	5		14,237,779,884.64	10,264,242,886.64
Advances to suppliers	6		5,708,097,653.97	3,017,911,442.33
△ Premiums receivable				
△ Reinsurance premium receivable				
△ Reserve receivable for reinsurance				
Interest receivable	7		163,016,201.17	76,476,318.57
Dividends receivable	8		44,692,917.90	11,788,124.72
Other receivables	9		1,556,446,863.53	2,321,719,586.12
△ Financial assets purchased under agreements to resell				
Inventories	10		1,448,390,045.47	1,828,770,678.00
Including: Raw materials			530,807,742.71	603,294,148.38
Finished goods			94,574,383.04	86,587,291.33
Held-for-sale assets				19,998,452.41
Non-current assets due within one year	11		450,020,014.58	313,586,965.36
Other current assets	12		3,124,381,114.85	5,184,076,303.37
<b>Total current assets</b>			<b>64,561,971,298.21</b>	<b>71,678,054,248.31</b>
<b>Non-current assets:</b>				
△ Loans and advances				
Available-for-sale financial assets	13		66,141,443,089.23	37,891,898,591.12
Held-to-maturity investments	14		10,000,000.00	209,727,122.35
Long-term receivables	15		18,698,461,394.33	20,810,138,146.30
Long-term equity investments	16		68,641,808,899.58	61,239,417,127.06
Investment properties	17		1,106,597,423.62	1,289,131,982.97
Fixed assets	18		463,203,786,799.05	457,086,383,519.75
Less: Accumulated depreciation			128,232,425,670.05	112,315,015,968.11
Net book value of fixed assets			334,971,361,129.00	344,771,367,551.64
Less: Provision for impairment			1,054,190,263.61	806,508,128.23
Net carrying amount of fixed assets			333,917,170,865.39	344,564,859,423.41
Construction in progress	19		96,018,298,800.09	75,203,837,637.67
Construction materials	20		580,748,907.48	368,133,264.29
Disposal of fixed assets	21		3,339.75	3,562.40
Productive biological assets				
Oil and gas assets				
Intangible assets	22		21,693,378,644.56	21,605,913,617.22
Development expenditures	23			12,273,500.67
Goodwill	24		5,692,000,359.15	5,639,381,441.81
Long-term deferred expenses	25		264,858,830.83	106,306,799.00
Deferred tax assets	26		12,267,550,503.07	12,833,935,623.02
Other non-current assets	27		11,392,666,257.50	6,610,210,852.84
<b>Total non-current assets</b>			<b>200,896,958,632.79</b>	<b>200,896,958,632.79</b>
<b>Total assets</b>			<b>700,896,958,632.79</b>	<b>660,063,222,940.44</b>

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



Consolidated Balance Sheet (Continued)  
31 December 2017

Company Name: China Three Gorges Corporation	Item	Note VIII	As at 31 December 2017	As at 31 December 2016
<b>Current liabilities:</b>				
Short-term borrowings	29		18,533,814,009.60	6,309,057,684.50
△ Borrowings from central bank				
△ Deposits from customers, banks and other financial institutions	30		990,776,829.04	1,228,590,892.17
△ Placements from banks and other financial institutions				
Financial liabilities at fair value through profit or loss	31		513,947,206.47	351,719,401.47
Derivative financial liabilities	32		505,028,473.85	157,735,630.71
Notes payable	33		3,482,933,208.90	2,350,599,128.57
Accounts payable	34		10,568,326,787.69	12,230,173,668.52
Advances from customers	35		3,892,943,759.37	3,591,063,384.77
△ Financial assets sold under agreements to repurchase				
△ Fees and commissions payable				
Employee benefits payable	36		792,711,145.01	733,734,141.82
Including: Salaries payable			514,513,233.87	516,105,996.56
Welfare payable				
#Including: Employee bonus and welfare fund				
Taxes payable	37		5,660,217,286.95	8,286,535,527.81
Including: Accrued tax			5,587,769,343.12	8,067,935,975.57
Interest payable	38		3,489,640,019.38	3,327,017,455.32
Dividends payable	39		577,109,680.84	627,159,344.40
Other payables	40		28,375,004,890.27	29,581,104,073.55
△ Reinsurance accounts payable				
△ Reserve of insurance contract				
△ Securities brokering				
△ Securities underwriting				
Held-for-sale liabilities				
Non-current liabilities due within one year	41		18,992,494,414.22	19,789,732,633.03
Other current liabilities	42		19,616,649,110.70	12,999,395,727.64
<b>Total current liabilities</b>			<b>115,991,596,822.29</b>	<b>101,563,618,694.28</b>
<b>Non-current liabilities:</b>				
Long-term borrowings	43		55,872,934,376.24	49,544,542,581.94
Bonds payable	44		146,093,139,583.00	147,425,308,514.16
Long-term payables	45		746,947,100.90	608,913,864.28
Long-term employee benefits payable	46		43,185,618.11	47,970,487.23
Special payables	47		75,892,691.54	79,944,716.09
Provisions	48		4,140,320,427.17	4,023,986,674.76
Deferred income	49		1,177,405,907.32	1,279,031,401.07
Deferred tax liabilities	26		5,270,274,804.20	5,119,637,731.89
Other non-current liabilities	50		130,587,745.84	109,974,861.51
Including: Authorized reserve fund				
<b>Total non-current liabilities</b>			<b>213,550,688,254.32</b>	<b>208,236,710,832.93</b>
<b>Total liabilities</b>			<b>329,542,285,076.61</b>	<b>309,800,329,527.21</b>
<b>Owners' equity:</b>				
Paid-in capital	51		211,412,063,501.31	211,412,063,501.31
State-owned capital			211,412,063,501.31	211,412,063,501.31
Including: Capital from state-owned legal body				
Collective capital				
Private capital				
Including: Individual capital				
Foreign capital				
#Less: Payback capital				
Net paid-in capital			211,412,063,501.31	211,412,063,501.31
Other equity instruments				
Including: Preferred shares				
Perpetual bond				
Capital reserve	52		22,637,041,767.47	22,233,355,519.09
Less: Treasury shares				
Other comprehensive income	69		3,662,096,916.16	4,043,567,993.09
Including: Currency translation reserve			-1,413,115,430.05	-1,323,885,740.97
Special reserve	53		210,716.09	3,377,627.96
Surplus reserve	54		25,114,212,603.78	23,931,545,050.47
Including: Statutory surplus reserve			14,535,359,618.22	13,352,684,624.91
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	55		16,463,931,000.96	7,321,951,652.33
<b>Total owner's equity attributable to parent company</b>			<b>279,289,556,505.77</b>	<b>268,945,861,344.25</b>
Non-controlling interests			92,065,117,050.41	81,317,032,068.98
<b>Total owners' equity</b>			<b>371,354,673,556.18</b>	<b>350,262,893,413.23</b>
<b>Total liabilities and owners' equity</b>			<b>700,896,958,632.79</b>	<b>660,063,222,940.44</b>

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

Balance Sheet of the Company  
31 December 2017

Company Name: China Three Gorges Corporation  
Unit: RMB

Item	NoteXII	As at 31 December 2017	As at 31 December 2016
<b>Current assets:</b>			
Cash at bank and on hand		23,843,623,286.70	32,642,012,189.11
△ Settlement reserve			
△ Due from banks and other financial institutions			
Financial assets at fair value through profit or loss			
Derivative financial assets			
Notes receivable			
Accounts receivable			
Advances to suppliers		146,952,526.39	124,342,353.55
△ Premiums receivable			
△ Reinsurance premium receivable			
△ Reserve receivable for reinsurance			
Interest receivable		255,642,409.91	217,569,377.87
Dividends receivable		783,044,256.06	979,891,399.68
Other receivables	1.1	513,566,553.64	536,877,504.35
△ Financial assets purchased under agreements to resell			
Inventories		72,369.35	52,387.00
Including: Raw materials			
Finished goods			
Held-for-sale assets			
Non-current assets due within one year		19,950,789,758.08	13,150,789,758.08
Other current assets		17,169,733,464.34	15,483,002,573.09
<b>Total current assets</b>		<b>62,665,424,625.07</b>	<b>63,134,537,543.33</b>
<b>Non-current assets:</b>			
△ Loans and advances			
Available-for-sale financial assets		22,076,395,169.75	12,670,255,188.01
Held-to-maturity investments		28,000,000.00	28,000,000.00
Long-term receivables		41,232,945,436.94	33,800,817,385.54
Long-term equity investments	1.2	159,881,819,191.13	153,810,262,635.51
Investment properties			
Fixed assets		44,959,641,175.45	44,940,989,527.04
Less: Accumulated depreciation		15,348,934,450.38	14,190,317,704.92
Net book value of fixed assets		29,610,706,725.07	30,750,671,822.12
Less: Provision for impairment			
Net carrying amount of fixed assets		29,610,706,725.07	30,750,671,822.12
Construction in progress		467,412,470.90	552,142,335.08
Construction materials		16,011,929.51	25,375,842.86
Disposal of fixed assets			
Productive biological assets			
Oil and gas assets			
Intangible assets		416,167,153.91	421,809,830.51
Development expenditures			
Goodwill			
Long-term deferred expenses			
Deferred tax assets		599,943,901.17	605,927,112.30
Other non-current assets		72,504,470,148.04	64,017,538,055.97
<b>Total non-current assets</b>			
<b>Total assets</b>		<b>326,833,872,126.42</b>	<b>316,682,798,207.70</b>

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

Balance Sheet of the Company (Continued)  
31 December 2017

Company Name: China Three Gorges Corporation  
Unit: RMB

Item	NoteXII	As at 31 December 2017	As at 31 December 2016
<b>Current liabilities:</b>			
Short-term borrowings		13,241,000,000.00	1,000,000,000.00
△ Borrowings from central bank			
△ Deposits from customers, banks and other financial institutions			
△ Arrangements from banks and other financial institutions			
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Notes payable			
Accounts payable		93,907,162.30	160,975,440.01
Advances from customers		9,486,570.80	9,516,745.68
△ Financial assets sold under agreements to repurchase			
△ Fees and commissions payable			
Employee benefits payable		347,141,364.79	347,374,941.92
Including: Salaries payable		321,264,872.28	321,264,872.28
Welfare payable			
#Including: Employee bonus and welfare fund			
Taxes payable		1,190,296,797.02	5,000,346,844.00
Including: Accrued tax		1,187,011,676.48	4,995,575,089.72
Interest payable		2,156,257,284.60	2,224,635,122.91
Dividends payable			
Other payables		3,653,131,306.05	4,411,239,921.69
△ Reinsurance accounts payable			
△ Reserve of insurance contract			
△ Securities brokering			
△ Securities underwriting			
Held-for-sale liabilities			
Non-current liabilities due within one year		11,878,856,596.18	11,817,974,109.68
Other current liabilities		15,289,752,364.94	6,990,034,634.27
<b>Total current liabilities</b>		<b>47,859,829,446.68</b>	<b>31,962,097,760.16</b>
<b>Non-current liabilities:</b>			
Long-term borrowings		13,007,712,616.00	10,605,108,000.00
Bonds payable		64,298,245,935.12	69,223,288,950.31
Long-term payables			
Long-term employee benefits payable			
Special payables		34,534,917.14	36,662,512.09
Provisions			
Deferred income		873,447,329.54	1,009,981,418.02
Deferred tax liabilities		1,308,709,320.55	2,169,528,495.37
Other non-current liabilities			
Including: Authorized reserve fund			
<b>Total non-current liabilities</b>		<b>79,522,650,118.35</b>	<b>83,044,569,375.79</b>
<b>Total liabilities</b>		<b>127,382,479,565.03</b>	<b>115,006,667,135.95</b>
<b>Owners' equity:</b>			
Paid-in capital		211,412,063,501.31	211,412,063,501.31
State-owned capital		211,412,063,501.31	211,412,063,501.31
Including: Capital from state-owned legal body			
Collective capital			
Private capital			
Including: Individual capital			
Foreign capital			
#Less: Payback capital			
Net paid-in capital		211,412,063,501.31	211,412,063,501.31
Other equity instruments			
Including: Preferred shares			
Perpetual bond			
Capital reserve		5,145,780,150.10	5,145,780,150.10
Less: Treasury shares			
Other comprehensive income		3,408,711,322.35	4,466,790,542.81
Including: Currency translation reserve			
Surplus reserve			
Surplus reserve		25,526,150,632.77	24,339,747,503.59
Including: Statutory surplus reserve		14,948,849,307.69	13,762,446,178.51
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		16,624,111,579.93	19,446,286,917.27
<b>Total owner's equity attributable to parent company</b>		<b>262,116,817,186.46</b>	<b>264,810,668,615.08</b>
Non-controlling interests			
<b>Total owners' equity</b>		<b>262,116,817,186.46</b>	<b>264,810,668,615.08</b>
<b>Total liabilities and owners' equity</b>		<b>389,499,296,751.49</b>	<b>379,817,335,751.03</b>

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

**Consolidated Income Statement**  
For the year ended 31 December 2017

Unit: RMB

Company Name: China Three Gorges Corporation	Note/VIII	The year ended 31 December 2017	The year ended 31 December 2016
I. Total operating revenue		90,031,232,769.83	78,309,561,746.44
Including: Operating revenue	35	85,291,088,664.61	77,170,423,668.97
△Interest income	37	704,793,650.17	537,303,702.54
△Interest earned			
△Fees and commissions income	38	3,371,046.05	1,534,274.93
II. Total operating cost		58,455,990,517.56	49,852,076,714.95
Including: Operating cost	35	43,822,616,463.74	36,111,823,505.55
△Interest expenses	37	35,322,246.79	4,403,703.66
△Fees and commissions expenses	38	2,836,306.42	3,249,448.41
△Cash surrender amount			
△Net expenses of claim settlement			
△Net provisions for insurance contract reserves			
△Policy dividend expenses			
△Reinsurance expenses			
Taxes and surcharges		2,430,124,956.49	1,842,961,340.84
Selling and distribution expenses	39	86,450,211.00	94,435,220.71
General and administrative expenses	40	3,034,584,189.44	3,175,732,843.51
Including: Research and development expenses		136,365,209.17	112,906,718.07
Party construction funds		4,038,912.96	4,869,839.86
Financial expenses	41	8,344,798,741.34	7,774,879,093.40
Including: Interest expenses		5,053,076,243.34	5,033,215,735.47
Interest income		485,476,079.12	633,640,321.61
Net loss on foreign exchange (net profit to be listed with "+")		-572,349,529.33	-963,615,552.52
Impairment losses	42	846,857,366.26	823,496,338.80
Others			
Add: Gain from changes in fair value (loss to be listed with "-")	43	-360,367,335.73	-71,317,419.47
Investment income (loss to be listed with "+")	44	8,643,184,702.18	6,239,962,223.36
Including: Investment income from associates and joint ventures		4,315,719,237.64	3,440,591,996.07
△Gain on foreign exchange (loss to be listed with "-")		399,745.48	328,069.58
Other income	45	3,897,262,996.78	3,190,317,365.90
III. Operating profit (loss to be listed with "+")		43,029,012,363.09	31,903,517,365.90
Add: Non-operating income	46	193,545,456.91	4,641,033,720.20
Including: Gain from disposal of non-current assets		39,474,728.71	39,483,432.06
Gain from exchange of non-monetary assets			
Government grants		63,303,423.33	4,309,276,211.71
Gain from debt restructuring			743,866.00
Less: Non-operating expenses	47	2,084,941,945.59	1,575,962,972.74
Including: Loss on disposal of non-current assets		60,736,652.24	32,218,428.26
Loss on exchange of non-monetary assets			
Loss on debt restructuring			
IV. Profit before income taxes (loss to be listed with "+")		42,035,215,873.28	30,830,708,114.64
Less: Income tax expenses	48	7,736,231,772.92	14,113,822,465.21
V. Net profit (net loss to be listed with "+")		34,299,254,100.36	23,916,885,649.83
Attributable to owners of the parent company		23,826,580,612.19	13,807,797,311.25
△Attributable to non-controlling interests		10,472,673,488.17	10,109,088,338.60
Gain or loss from continuous operation		34,299,254,100.36	23,916,885,649.83
Gain or loss from termination of operation			
VI. Other comprehensive income after tax		392,876,320.11	5,743,090,268.67
Other comprehensive income attributable to owners of parent company (net of tax)	49	-381,471,676.93	4,306,574,163.98
(I) Other comprehensive income not to be reclassified as profit or loss		-47,742,453.49	-52,448,251.35
1. Changes in reinsurance contract liability or net assets		1,477,733.28	
2. Portion of other comprehensive income not to be reclassified as profit or loss under equity method		-49,240,226.77	-52,448,251.35
(II) Other comprehensive income to be reclassified as profit or loss		333,729,223.44	4,359,022,415.33
1. Portion of other comprehensive income to be reclassified as profit or loss under equity method		-399,677,168.06	619,213,693.00
2. Gain or loss from changes in fair value of available-for-sale financial assets		328,389,554.58	223,489,951.09
3. Gain or loss from reclassification of held-to-maturity investments as available-for-sale financial assets			
4. Gain or loss on effective cash flow hedge		26,308,719.12	-52,420,718.31
5. Currency translation reserve		489,229,689.08	3,568,599,479.73
(Other comprehensive income attributable to non-controlling interests (net of tax)		484,347,997.04	2,436,516,104.69
VII. Total comprehensive income		34,692,140,420.47	30,659,975,918.52
Total comprehensive income attributable to the owners of parent company		23,445,109,535.26	18,194,371,475.23
Total comprehensive income attributable to non-controlling interests		11,247,030,885.21	12,465,604,443.29
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 31 December 2017

Unit: RMB

Company Name: China Three Gorges Corporation	Note/IX	The year ended 31 December 2017	The year ended 31 December 2016
I. Total operating revenue		141,622,478.77	115,430,113.02
Including: Operating revenue	1.1	141,622,478.77	115,430,113.02
△Interest income			
△Interest earned			
△Fees and commissions income			
II. Total operating cost		5,943,531,819.73	7,011,829,396.82
Including: Operating cost	1.3	26,429,463.33	33,852,821.98
△Interest expenses			
△Fees and commissions expenses			
△Cash surrender amount			
△Net expenses of claim settlement			
△Net provisions for insurance contract reserves			
△Policy dividend expenses			
△Reinsurance expenses			
Taxes and surcharges		104,046,866.00	165,292,994.43
Selling and distribution expenses		231,629.46	221,919.46
General and administrative expenses		2,083,339,698.98	1,926,033,339.50
Including: Research and development expenses		13,310,439.40	20,256,855.92
Party construction funds		907,037.79	636,393.37
Financial expenses		3,704,647,795.05	4,713,791,846.20
Including: Interest expenses		4,410,072,761.24	4,269,620,635.22
Interest income		211,356,060.28	196,811,163.30
Net loss on foreign exchange (net profit to be listed with "+")		-505,130,438.37	629,428,971.90
Impairment losses		23,736,418.29	213,123,083.27
Others			
Add: Gain from changes in fair value (loss to be listed with "-")			
Investment income (loss to be listed with "+")	1.4	18,420,204,614.54	45,841,364,308.48
Including: Investment income from associates and joint ventures		352,741,316.44	275,990,333.79
△Gain on foreign exchange (loss to be listed with "-")			
Other income		1,440,144,058.43	
III. Operating profit (loss to be listed with "+")		14,698,430,371.06	42,924,945,114.68
Add: Non-operating income		4,642,357.90	1,610,933,235.27
Including: Gain from disposal of non-current assets		3,496,356.37	670,421.99
Gain from exchange of non-monetary assets			
Government grants			1,459,519,844.08
Gain from debt restructuring			
Less: Non-operating expenses		1,506,236,577.29	1,406,303,229.47
Including: Loss on disposal of non-current assets		436,399.16	150,967.07
Loss on exchange of non-monetary assets			
Loss on debt restructuring			
IV. Profit before income taxes (loss to be listed with "+")		12,256,825,151.76	42,845,345,120.48
Less: Income tax expenses		692,793,839.92	7,501,841,314.81
V. Net profit (net loss to be listed with "+")		11,564,031,291.84	34,943,503,805.67
Attributable to owners of the parent company		11,564,031,291.84	34,943,503,805.67
△Attributable to non-controlling interests			
Gain or loss from continuous operation		11,564,031,291.84	34,943,503,805.67
Gain or loss from termination of operation			
VI. Other comprehensive income after tax		-1,038,679,220.46	-326,369,225.36
Other comprehensive income attributable to owners of parent company (net of tax)		-1,038,679,220.46	-326,369,225.36
(I) Other comprehensive income not to be reclassified as profit or loss			-164,433.48
1. Changes in reinsurance contract liability or net assets			
2. Portion of other comprehensive income not to be reclassified as profit or loss under equity method			-164,433.48
(II) Other comprehensive income to be reclassified as profit or loss		-1,038,679,220.46	-326,195,791.82
1. Portion of other comprehensive income to be reclassified as profit or loss under equity method			25,593,885.68
2. Gain or loss from changes in fair value of available-for-sale financial assets		-1,047,290,869.99	-31,179,678.50
3. Gain or loss from reclassification of held-to-maturity investments as available-for-sale financial assets			
4. Gain or loss on effective cash flow hedge			
5. Currency translation reserve			
(Other comprehensive income attributable to non-controlling interests (net of tax)			
VII. Total comprehensive income		10,525,352,071.38	34,617,134,580.87
Total comprehensive income attributable to the owners of parent company		10,525,352,071.38	34,617,134,580.87
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.

**Cumulative Statement of Cash Flows**  
For the year ended 31 December 2017

Unit: RMB

Item	Note VIII	The year ended 31 December 2017	The year ended 31 December 2016
<b>I. Cash flows from operating activities</b>			
Proceeds from sales of goods or rendering of services		94,782,207,872.90	85,201,766,268.86
△ Net increase in deposits from customers, banks and other financial institutions		-236,569,215.90	543,930,051.72
△ Net increase in loans from Central Bank			
△ Net increase in placements from other financial institutions		350,000,000.00	-3,240,000,000.00
△ Proceeds from refunding of original insurance contract			
△ Net amount of insurance business			
△ Net increase in 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		756,044,468.24	555,596,902.37
△ Net increase of replacement from banks and other financial institutions			
△ Net increase in repurchasing			
Refund of taxes		2,535,047,958.65	3,166,863,316.29
Proceeds from other operating activities		2,293,942,479.48	3,208,811,094.84
<b>Subtotal of cash inflow from operating activities</b>		<b>100,480,673,563.37</b>	<b>89,616,909,674.08</b>
Payments for goods and services		22,257,416,229.39	15,167,246,858.67
△ Net increase in loans and advances to customers			
△ Net increase in deposits with Central Bank and other financial institutions		280,725,749.79	1,426,907,436.35
△ Payments for compensation under original insurance contract			
△ Payments for interests, fees and commissions		29,970,180.39	19,802,489.80
△ Payments for policy dividends			
Payments to and for employees		5,201,838,258.54	4,738,932,400.21
Payments of taxes		24,760,568,067.42	19,223,388,903.72
Payments for other operating activities		3,751,607,739.33	2,032,659,499.85
<b>Subtotal of cash outflow from operating activities</b>		<b>56,282,126,245.08</b>	<b>42,608,937,388.60</b>
<b>Net cash flows from operating activities</b>		<b>44,198,547,318.29</b>	<b>47,028,032,045.48</b>
<b>II. Cash flows from investing activities:</b>			
Proceeds from disposal of investments		183,791,057,188.22	123,625,397,075.49
Proceeds from return of investments		3,560,286,382.21	2,272,820,500.00
Proceeds from disposal of fixed assets, intangible assets and other long-term assets		38,853,940.44	46,366,354.87
Proceeds from disposal of subsidiaries and other business units			367,894,091.59
Proceeds from other investing activities		37,086,314.72	2,499,253,309.35
<b>Subtotal of cash inflow from investing activities</b>		<b>187,447,284,025.59</b>	<b>130,811,731,341.30</b>
Payments for acquisition and construction of fixed assets, intangible assets and other long-term assets		29,141,341,366.36	30,067,560,881.38
Payments for acquisition of investments		212,750,484,463.75	146,142,391,742.22
△ Net increase in pledge loans			
Net payments for acquisitions of investment in subsidiaries and other business units		340,719,175.42	10,250,326,535.53
Payments for other investing activities		60,907,383.38	3,516,663,606.32
<b>Subtotal of cash outflow from investing activities</b>		<b>242,299,452,988.91</b>	<b>189,986,947,755.45</b>
<b>Net cash flows from investing activities</b>		<b>-54,852,168,963.32</b>	<b>-59,175,211,423.73</b>
<b>III. Cash flows from financing activities:</b>			
Proceeds from issuers		7,919,337,607.66	25,863,153,743.02
Including: Proceeds from non-controlling interests of subsidiaries		7,919,337,607.66	25,805,219,243.02
Proceeds from borrowings		81,212,353,148.92	75,607,687,244.48
△ Proceeds from bond issues			
Proceeds from other financing activities		63,973,500.00	679,306,589.17
<b>Subtotal of cash inflow from financing activities</b>		<b>89,195,664,256.58</b>	<b>102,150,147,576.67</b>
Repayments of borrowings		37,833,623,896.47	68,961,764,649.41
Payment for dividends, profit distribution or interest		31,645,445,947.96	27,333,878,949.98
Including: distribution of dividends, profit to non-controlling interests of subsidiaries		7,398,705,335.73	5,059,307,837.31
Payments for other financing activities		1,297,293,078.33	1,265,480,146.48
<b>Subtotal of cash outflow from financing activities</b>		<b>90,776,364,722.76</b>	<b>97,761,123,745.87</b>
<b>Net cash flows from financing activities</b>		<b>-1,580,700,466.18</b>	<b>4,389,023,830.80</b>
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>		<b>-402,317,433.02</b>	<b>3,879,059,029.02</b>
<b>V. Net increase in cash and cash equivalents</b>	74	<b>-12,636,839,546.25</b>	<b>-3,879,096,518.45</b>
Add: cash and cash equivalents at the beginning of the year		43,304,563,423.04	47,183,659,941.49
<b>VI. Cash and cash equivalents at the end of the year</b>		<b>30,667,723,876.79</b>	<b>43,304,563,423.04</b>

Notes: #Items for use in consolidation; ΔItems for financial entities only.

**Statement of Cash Flows of the Company**  
For the year ended 31 December 2017

Unit: RMB

Item	Note XII	The year ended 31 December 2017	The year ended 31 December 2016
<b>I. Cash flows from operating activities</b>			
Proceeds from sales of goods or rendering of services		34,174,899.81	23,007,494.74
△ 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 refunding of original insurance contract			
△ Net amount of insurance business			
△ Net increase in 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			
Refund of taxes			
Proceeds from other operating activities		1,625,811,839.77	2,579,377,712.04
<b>Subtotal of cash inflow from operating activities</b>		<b>1,659,994,739.58</b>	<b>2,602,385,206.78</b>
Payments for goods and services		366,875,248.21	291,657,057.06
△ 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			
△ Payments for interests, fees and commissions			
△ Payments for policy dividends			
Payments to and for employees		341,386,900.73	323,233,634.73
Payments of taxes		5,726,193,073.95	2,647,630,074.06
Payments for other operating activities		495,839,387.95	494,632,083.69
<b>Subtotal of cash outflow from operating activities</b>		<b>6,933,314,810.84</b>	<b>3,729,155,469.59</b>
<b>Net cash flows from operating activities</b>		<b>-5,273,320,071.26</b>	<b>-1,126,770,262.81</b>
<b>II. Cash flows from investing activities:</b>			
Proceeds from disposal of investments		40,948,442,266.96	34,462,804,884.37
Proceeds from return of investments		17,040,138,430.86	16,470,413,814.93
Proceeds from disposal of fixed assets, intangible assets and other long-term assets		1,190,193.99	94,200.00
Proceeds from disposal of subsidiaries and other business units			34,795,411,230.00
Proceeds from other investing activities		12,567,871,948.60	9,430,789,738.60
<b>Subtotal of cash inflow from investing activities</b>		<b>70,557,662,646.41</b>	<b>111,179,515,807.90</b>
Payments for acquisition and construction of fixed assets, intangible assets and other long-term assets		300,365,392.81	388,329,085.98
Payments for acquisition of investments		73,272,099,312.42	73,736,119,995.22
△ Net increase in pledge loans			
Net payments for acquisitions of investment in subsidiaries and other business units			119,142,955.79
Payments for other investing activities			
<b>Subtotal of cash outflow from investing activities</b>		<b>73,572,465,705.23</b>	<b>74,263,592,076.99</b>
<b>Net cash flows from investing activities</b>		<b>-3,014,803,058.82</b>	<b>40,915,923,730.91</b>
<b>III. Cash flows from financing activities:</b>			
Proceeds from investors			61,260,000.00
Including: Proceeds from non-controlling interests of subsidiaries			
Proceeds from borrowings		43,786,400,000.00	26,800,000,000.00
△ Proceeds from bond issues			
Proceeds from other financing activities			
<b>Subtotal of cash inflow from financing activities</b>		<b>43,786,400,000.00</b>	<b>26,861,260,000.00</b>
Repayments of borrowings		25,357,847,200.00	26,399,476,800.00
Payment for dividends, profit distribution or interest		17,866,372,208.05	16,023,627,257.83
Including: distribution of dividends, profit to non-controlling interests of subsidiaries			
Payments for other financing activities		1,082,653,609.14	1,088,870,903.57
<b>Subtotal of cash outflow from financing activities</b>		<b>44,276,873,017.19</b>	<b>43,511,974,961.40</b>
<b>Net cash flows from financing activities</b>		<b>-490,473,017.19</b>	<b>-650,714,961.40</b>
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>		<b>2,216,630.96</b>	<b>1,194,981.11</b>
<b>V. Net increase in cash and cash equivalents</b>	13	<b>-8,796,388,502.41</b>	<b>23,139,633,567.81</b>
Add: cash and cash equivalents at the beginning of the year		32,642,012,189.11	9,502,378,621.30
<b>VI. Cash and cash equivalents at the end of the year</b>		<b>23,845,623,686.70</b>	<b>32,642,012,189.11</b>

Notes: #Items for use in consolidation; ΔItems for financial entities only.

Consolidated Statement of Changes in Owners' Equity  
For the year ended 31 December 2017

	For the year ended 31 December 2017												
	1	2	3	4	5	6	7	8	9	10	11	12	13
	Paid in capital	Other equity instruments	Capital reserve	Less treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk provision	Retained earnings	Others	Subtotal	Non-controlling interests	Total owners' equity
I. Balance at January 1, 2017	211,412,063,501.31		22,233,315,169.00		6,615,523,993.09	3,277,427.96	25,012,452,866.47		3,217,914,623.31		266,649,864,344.23	81,317,332,004.96	347,967,196,349.19
II. Increase/decrease in the year of 2017 (reference to be made to Note 5-7)													
(I) Total comprehensive income													
1. Ordinary dividends and withheld													
2. Capital contribution by other equity instruments holders													
3. Share-based payment recorded in owners' equity													
4. Others													
(II) Special reserve													
1. Current year actual													
2. Current year actual													
(IV) Profit distribution													
1. Appropriation for capital reserve													
including: Stockholders' shares													
2. Distribution to owners													
3. Others													
(V) Other													
1. Transfer within owners' equity													
2. Capital reserve transfer to paid in capital													
3. Transfer within owners' equity													
4. Change in financial instrument classification in net assets													
(VI) Others													
1. Balance at December 31, 2017	211,412,063,501.31		22,233,315,169.00		6,615,523,993.09	3,277,427.96	25,012,452,866.47		3,217,914,623.31		266,649,864,344.23	81,317,332,004.96	347,967,196,349.19



Consolidated Statement of Changes in Owners' Equity (Continued)  
For the year ended 31 December 2017

	For the year ended 31 December 2016												
	1	2	3	4	5	6	7	8	9	10	11	12	13
	Paid in capital	Other equity instruments	Capital reserve	Less treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk provision	Retained earnings	Others	Subtotal	Non-controlling interests	Total owners' equity
I. Balance at January 1, 2016	208,336,713,205.00		8,513,521,623.20		2,130,643.78	21,030,343,009.89			8,528,632,414.95		251,066,233,643.26	63,448,824,211.82	304,515,057,855.08
II. Increase/decrease in the year of 2016 (reference to be made to Note 5-7)													
(I) Total comprehensive income													
1. Ordinary dividends and withheld													
2. Capital contribution by other equity instruments holders													
3. Share-based payment recorded in owners' equity													
4. Others													
(II) Special reserve													
1. Current year actual													
2. Current year actual													
(IV) Profit distribution													
1. Appropriation for capital reserve													
including: Stockholders' shares													
2. Distribution to owners													
3. Others													
(V) Other													
1. Transfer within owners' equity													
2. Capital reserve transfer to paid in capital													
3. Transfer within owners' equity													
4. Change in financial instrument classification in net assets													
(VI) Others													
1. Balance at December 31, 2016	211,412,063,501.31		22,233,315,169.00		6,615,523,993.09	3,277,427.96	25,012,452,866.47		3,217,914,623.31		266,649,864,344.23	81,317,332,004.96	347,967,196,349.19





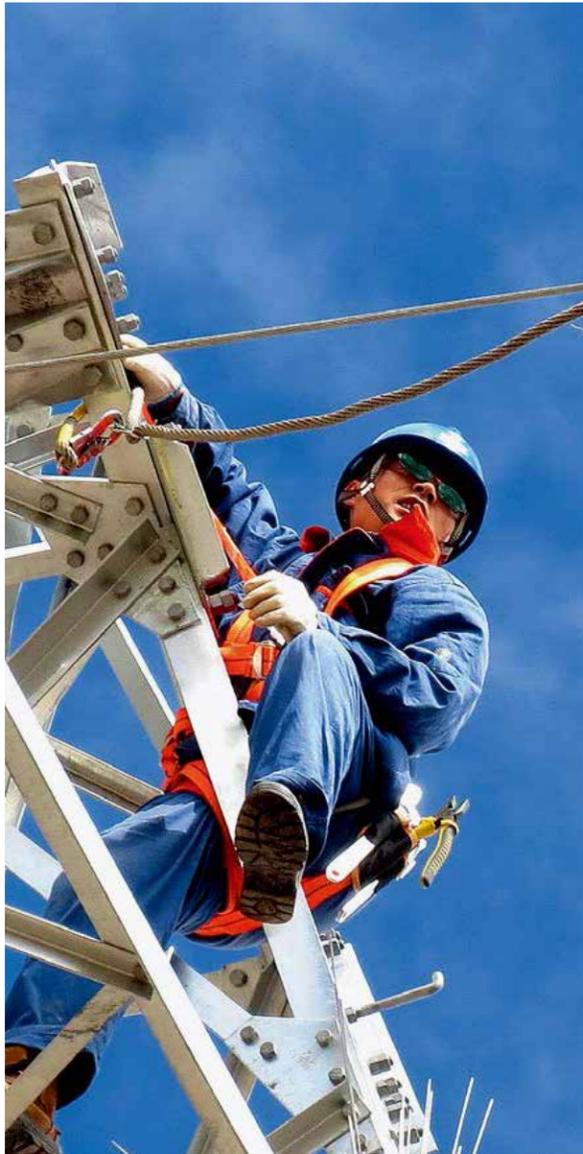
Statement of Changes in Owners' Equity of the Company  
For the year ended 31 December 2017

Item	For the year ended 31 December 2017											Total owners' equity
	Owner's equity attributable to the Company											
	1	2	3	4	5	6	7	8	9	10	11	
Paid in capital	Other equity instruments	Capital reserve	Less treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk provision	Retained earnings	Others	Subtotal	Non-controlling interests	
Balance at January 1, 2017	211,412,603,501.31		3,145,780,150.10		4,481,705,424.51	24,320,745,503.59		19,446,268,917.27		264,310,664,513.65		264,310,664,513.65
III. Increase/decrease in the year of 2017 (decrease to be listed with "-")												
(I) Total comprehensive income					4,481,705,424.51							
(II) Other comprehensive income												
(1) Ordinary dividends												
(2) Capital contributed by other equity instruments holders												
(3) Share-based payment												
(4) Others												
(III) Profit distribution												
(1) Appropriation for surplus reserves												
(2) Dividend												
(3) Transfer surplus to paid-in capital												
(4) Reserve loss by surplus reserve												
(5) Changes in measures of defined benefit obligations or net assets												
(VI) Others												
IV. Balance at December 31, 2017	211,412,603,501.31		3,145,780,150.10		3,864,711,122.33	27,526,136,632.77		19,446,268,917.27		262,141,817,186.46		262,141,817,186.46



Statement of Changes in Owners' Equity of the Company (Continued)  
For the year ended 31 December 2017

Item	For the year ended 31 December 2016											Total owners' equity
	Owner's equity attributable to the Company											
	1	2	3	4	5	6	7	8	9	10	11	
Paid in capital	Other equity instruments	Capital reserve	Less treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk provision	Retained earnings	Others	Subtotal	Non-controlling interests	
Balance at January 1, 2016	208,345,713,393.68		3,145,780,150.10		4,973,113,584.11	20,443,391,122.26		10,713,428.29		251,113,272,428.50		251,113,272,428.50
III. Increase/decrease in the year of 2016 (decrease to be listed with "-")												
(I) Total comprehensive income												
(II) Other comprehensive income												
(1) Ordinary dividends												
(2) Capital contributed by other equity instruments holders												
(3) Share-based payment												
(4) Others												
(III) Profit distribution												
(1) Appropriation for surplus reserves												
(2) Dividend												
(3) Transfer surplus to paid-in capital												
(4) Reserve loss by surplus reserve												
(5) Changes in measures of defined benefit obligations or net assets												
(VI) Others												
IV. Balance at December 31, 2016	211,412,603,501.31		3,145,780,150.10		4,906,796,152.81	24,320,745,503.59		19,446,268,917.27		264,310,664,513.65		264,310,664,513.65



## Corporate Culture

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### Employees' Democratic Management

*CTG encourages employees to engage in corporate management through democratic approaches as collective intelligence can better drive the company forward.*



### The Spirit of Diligence and Craftsmanship

*CTG values diligence and craftsmanship through a series of activities including skill competitions. CTG believes that innovation is the driving force for the development of the company.*



### Stronger brand building

*Echoing major national initiatives, CTG's communication efforts aim to promote corporate reforms, innovative mindset and expand communication channels, so that CTG will further improve its corporate narratives, image and brand effects with stronger influence and credibility.*

## Employees' Democratic Management

In 2017, the labor unions at the group and subsidiary level reviewed 130+ cases related to employee benefits and processed 160+ proposals by employees. Their efforts protected the employees' rights to know, express, participate and supervise.



Awarding top-performing teams in 2017

## Stronger Brand Building

In 2017, CTG had showcased its image in multiple official media in China including *People's Daily*, Xinhua News Agency, CCTV and *Economic Daily*. CTG has published 11 pieces of news, articles, promotional messages in *People's Daily*; had 45 pieces of news and featured stories broadcast on CCTV; published more than 10 pieces of news through Xinhua News Agency. CTG also provided a model ship lift to the exhibition showcasing China's progress over the last five years. The exhibition attracted more than 3 million visitors.

In order to find new mechanisms and channels for branding and publications suitable for Chinese central enterprises in the New Era, CTG has expanded the original self-owned channels, which are one newspaper, one journal and one website to integrated, all-rounded media coverage including newspapers, magazines, websites, social media platforms, Weibo, WeChat and exhibitions. CTG's brand is built on three pillars - CPC legacy, green development and offshore renewable energy, which creates a favorable environment for CTG's corporate reforms and vision to become a world-class clean energy group.



CTG awarded with Outstanding Contribution to Chinese Enterprise Images Overseas



## The Spirit of Diligence and Craftsmanship

In 2017, under the guidance and support from All-China Federation of Trade Unions, Yunnan Provincial Federation of Trade Unions and Sichuan Provincial Federation of Trade Unions, CTG organized a competition themed as "New Thinking for Success in a New Cycle" for all the employees working at the hydropower projects at Jinsha River Basin. During the competition, 7 leading organizations, 16 leading groups, 35 leading teams and 38 outstanding individuals were awarded. In addition, 2 organizations received certificates from Provincial Trade Unions; 4 units were awarded Provincial Workers' Pioneers; 4 individuals received Provincial Trade Union's medals and 1 individual was accredited Workers' Model at the Provincial Level.



CTG's "A 28-day Fight" was selected as one of the 10 Best Stories of Chinese Workers

CTG actively participated in the State Council's campaign for sharing the stories of the front-line employees. Its submission - "A 28-day Fight", which tells a story of the cleaning and rescue teams at the reservoir area, was selected as one of the 10 Best Stories of Chinese Workers.

In 2017, CTG incubated 40 Employee (Role Model) Tech Innovation Labs, and made 235 innovation achievements, 6 of which were awarded by the China Electricity Council and 13 of which were awarded by the China Energy, Chemistry and Geology Union.



CTG's first Science Progress Award and Technology Invention Award



## Technology and Environmental Protection

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### Technological Innovation

CTG is building an innovation system to enhance its capability in technological innovation and to lead the industry's technology development. CTG has opened up a new chapter for collaborative innovation with universities.

### Ecological Conservation and Environmental Protection

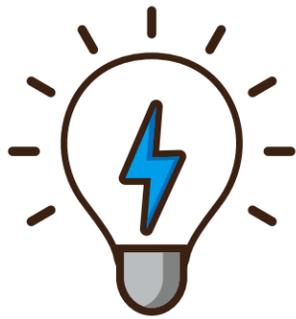
CTG plays an active and significant role in protecting the Yangtze River. Through the development of quality green projects, CTG is committed to developing clean energy that will strike a balance among economic, social and environmental benefits.

## Technological Innovation

In line with demands, CTG aims at major technological challenges and has achieved fruitful results and overcome a series of engineering challenges through joint efforts of enterprises, universities and research institutes.

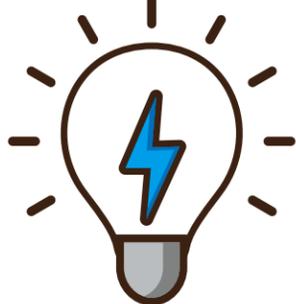
### Highlights

In 2017, CTG provided a model ship lift to the exhibition showcasing China's progress over the last five years. The model was displayed in the main hall as one of China's signature projects, to demonstrate CPC's significant achievements in technological innovation since the 18<sup>th</sup> National Party Congress.



CTG's model ship lift at the exhibition showcasing China's progress over the last five years

In 2017, CTG received 20 awards from national, provincial and industry competitions, and presented 845 technology innovation awards to its own employees. CTG also organized its first Science Progress Award and Technology Invention Award selection to recognize innovative achievements.



State Technological Invention Award Second Class Award for CTG's Technology of Electroslag Ceasting for Large Odd-form Variable Ceurves

CTG prioritizes ecological conservation and values green development. Through a series of efforts, CTG is further engaged in the development for the Yangtze River Economic Belt and plays a significant role in protecting the Yangtze River.

## Ecological Conservation and Environmental Protection

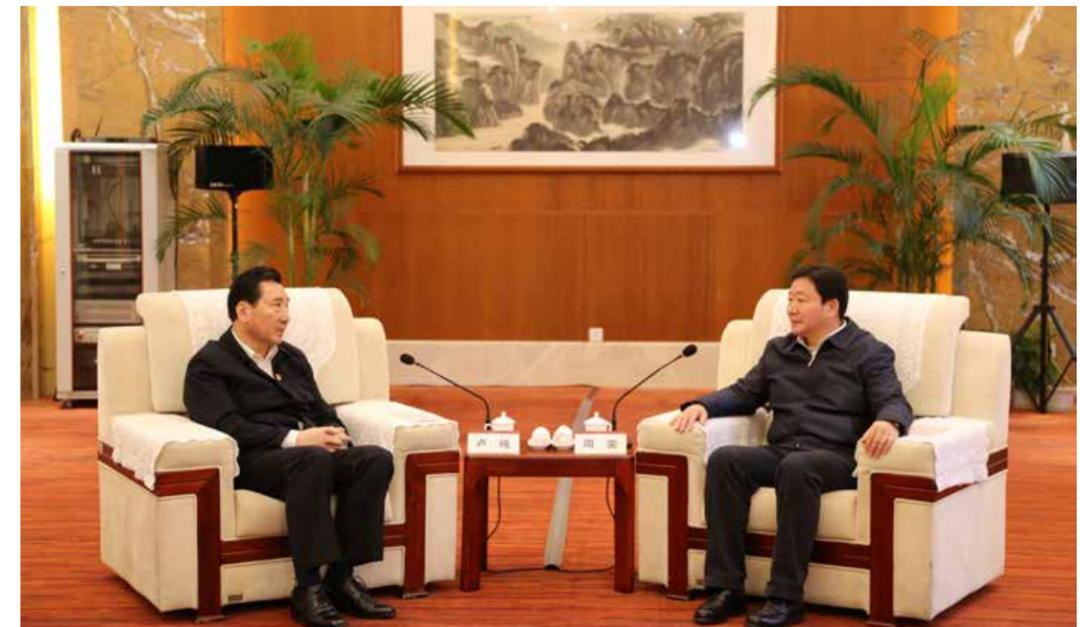
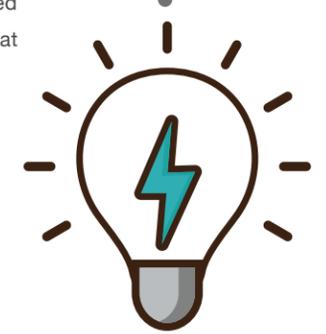
CTG has built a joint platform to protect and treat the Yangtze River. The enhanced structure of the Yangtze River protection team facilitates resource coordination that will speed up green development.

Cooperation with **11** provinces:

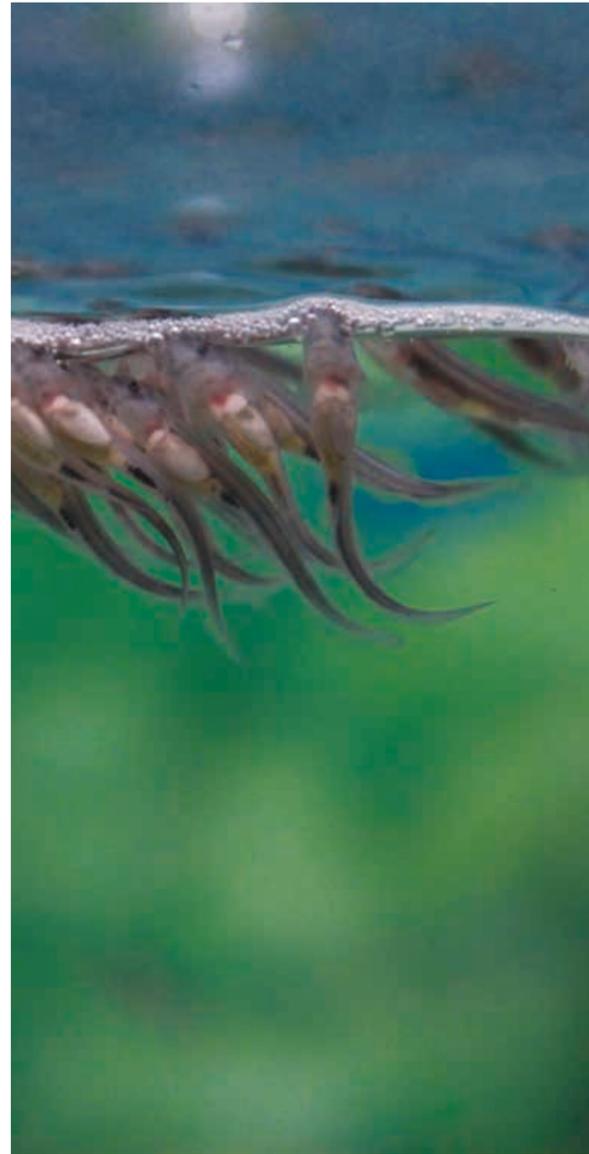
Cooperating with 11 provinces in the Yangtze River Economic Belt

Pilot programs in **4** cities: Yichang in Hubei Province  
Yueyang in Hunan Province  
Jiujiang in Jiangxi Province  
Wuhu in Anhui Province

**5** platforms: China Yangtze Ecological Conservation Corporation Ltd.  
China Yangtze River Green Development Fund  
National Ecological Conservation Research Center  
Yangtze River Ecological Conservation Alliance and Special Fund



CTG Chairman Lu Chun in discussion with Yichang government official on Yangtze River protection



# Corporate Social Responsibility

## Ecological Progress

CTG is consistent in its efforts to protect biodiversity and restore the ecosystem. It combines clean energy development and ecological conservation in order to build eco-friendly projects.

## Targeted Poverty Alleviation

Adhering to the core values of "Dedication, Responsibility, Innovation and Harmony", CTG actively assumes the responsibilities of a central enterprise to address the national initiatives on targeted poverty alleviation and helps reduce poverty in areas where hydro-power stations are located.

## Care for Employees

CTG upholds a people-oriented strategy and strives to create an enabling working environment where talents are valued, retained and fully utilized.

## Giving back to Society

CTG gives back to society and is engaged in charitable activities, such as disaster rescue and poverty alleviation, making contributions to social development.

## A Responsible Global Corporate Citizen

CTG is committed to the principle of "sustainable growth and localized operation". We support overseas business and localization, and we play active roles in infrastructure construction, community support, environmental protection and education development in order to bring economic, environmental and social benefits to the local community.

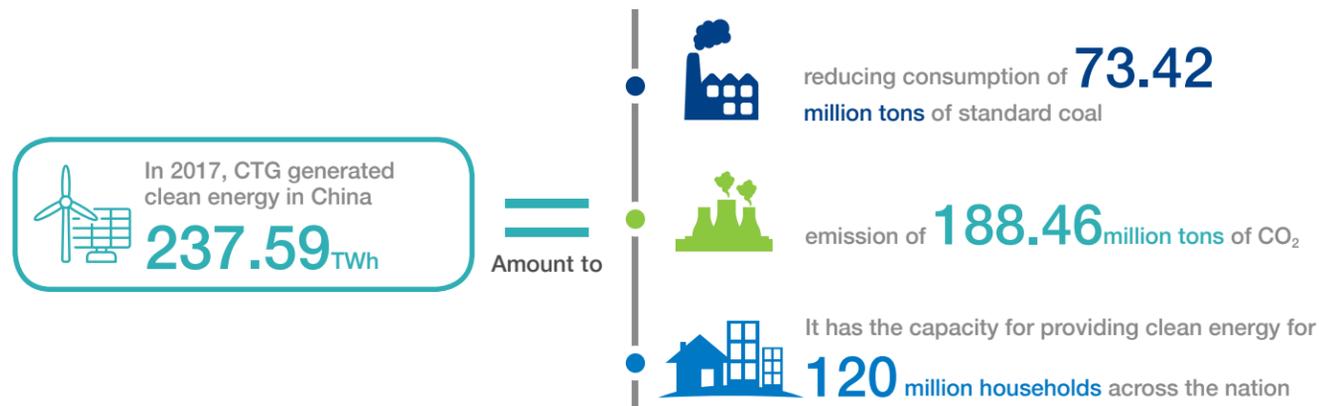
## Ecological Progress

CTG kicked off a joint ecological operation test for the Three Gorges-Xiangjiaba-Xiluodu reservoirs. 5 million fish eggs were found at Yibin section, 206 million at Jiangjin section, 1.08 billion at Yidu section, setting a new record.

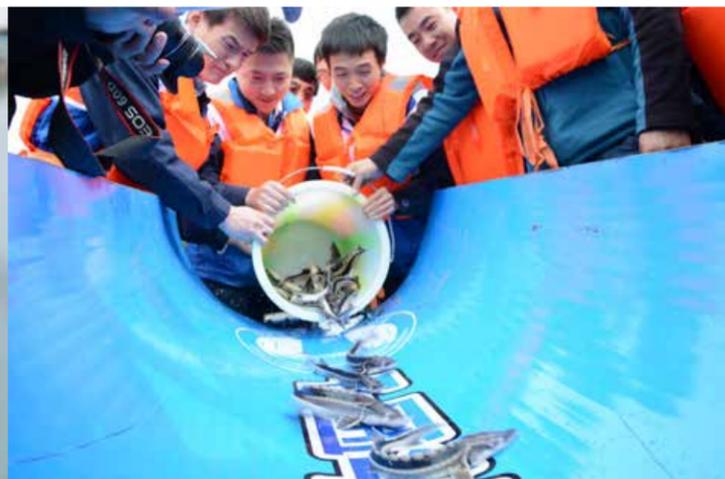
CTG continues its research on protection of rare and endemic fishes in the Yangtze River, and has made improvements in technologies for protection as well as the quality of the Chinese sturgeons released. In 2017, CTG has organized a series of releasing activities of the Chinese sturgeons.

CTG has sped up the restoration efforts of the eco-system. The overall plan for Heishui River is finalized, and the agreement for protecting the water environment at the rear of the Wudongde reservoir was signed.

CTG further develops clean energy, monitors CO2 emission at the reservoir, reduces CO2 emission, and provides clean, safe and reliable energy support for the nation, thus making positive contributions to China's power restructuring, CO2 emission and climate change.



Artificial incubation of wild Chinese sturgeon eggs



Releasing rare fishes at Xiangjiaba

## Targeted Poverty Alleviation

In 2017, CTG played a leading role in fulfilling corporate social responsibility, dedicating its efforts in reservoir area support, targeted poverty alleviation, assistance to Xinjiang and Tibet, and charitable donations. CTG donated RMB 1.383 billion in total throughout the year.

CTG was actively engaged in supporting the residents in the Three Gorges and Jinsha River reservoirs and the minority ethnic groups in poverty in Sichuan and Yunnan. By the end of 2017, CTG provided a total of RMB 1800 million to reduce poverty in the two provinces and continue to be a front-runner in targeted poverty alleviation.



Chairman Lu Chun meeting with Nu Jiang locals at Baihetan



CTG committed to poverty alleviation in Nu Jiang area

### Optimizing the management system of poverty alleviation with an enhanced working mechanism

- Setting up a leadership team**
  - Establishing a system of consolidated management, with support and accountability from each department
- Developing poverty alleviation policy**
  - CTG Revised *Management Measures for CTG to Implement Social Responsibility Projects*, formulated the *Management Measures for Jinsha River Hydropower Fund Project* and the *Management Measures for Public Welfare Fund Projects of CTG*.
- Strengthening monitoring and inspection**
  - CTG re-examined work and carried out special inspections to ensure the projects were helping people truly in need, making practical efforts towards poverty alleviation, and achieving effective results.
- Promoting poverty alleviation programs**
  - Promoting role models and their stories on CTG's media platforms such as *China Three Gorges Project News*, CTG official WeChat account and CTG weibo account.
  - Drafting a white paper on targeted poverty alleviation to build a stronger image for central enterprises

## Care for Employees

CTG respects and protects employees' rights and interests, help them to unleash their ability, further their growth, and help them to realize their full career potential.



Activities for female employees to present their talents

Recognize employees both at home and abroad with special contributions to the company

Organize activities for female employees to present their talents

Hold training sessions themed on health management



## Giving Back to Society

As a dedicated and responsible enterprise, CTG actively participates in public welfare projects and organizes various charitable activities to help people in poverty and difficulty.



Local children visiting the underground powerhouse on the left bank of the Baihetan Hydropower station



4<sup>th</sup> "Grassland Bond" Summer Camp for students at Bairin Left Banner CWE Elementary School

## A Responsible Global Corporate Citizen

"Long-term development and localization" is a core principle for CTG's overseas business expansion. While developing local business, CTG prioritizes localization in its operations and public welfare in local communities. CTG strives to address local energy supply issues and create job opportunities for local people. It also actively engages in environmental protection and improving local infrastructure, social welfare, community development, disaster relief and cultural exchanges in CTG's drive to become a responsible global corporate citizen.

In May 2017, construction of the elementary school, which was financed by CWE Uganda's Isimba Hydropower Project team, was completed.

In July 2017, CTG South Asia arranged Three Gorges Wind Farm (Pakistan) Company to organize a charitable donation for the elementary school in Jhimpir, Thatta District, Province of Sindh in Southern Pakistan.

Between 24 July and 11 August 2017, CTG Brazil organized a reproducing fish releasing activity in Parana River basin.



Donating stationary and sporting supplies to a local elementary school

# CTG History

China Three Gorges Project Corporation ("CTGPC") was established



Fulfilling the responsibility of "building the Three Gorges Project and developing the Yangtze River Resources"

Gezhouba Power Station integrated into CTGPC



Three Gorges Project reservoir impoundment, navigation and power generation began  
China Yangtze Power went IPO



Construction and operation went in parallel

Xiangjiaba Hydropower Project kicked off construction  
Yangtze New Energy Development Co.,Ltd. was established



Developing new energies such as wind power

Power assets of the Three Gorges Project was securitized and transferred to China Yangtze Power



CTGPC was renamed China Three Gorges Corporation ("CTG")

Acquired a 21.35% equity of EDP and became its single largest shareholder



The power plants of Xiluodu Hydropower Station and Xiangjiaba Hydropower Station began power generation.

Shanghai Investigation, Design & Research Institute Co., Ltd. was integrated into CTG



Becoming the largest hydropower development corporation in the world and the largest clean energy group in China

Trial operation of CTG's ship lift



1993

1996

2003

2006

2009

2011

2014

2016

1994

1997

2005

2008

2010

2012

2015

2017



Construction of the major works of the Three Gorges Project kicked off



The Three Gorges Project river closure



Xiluodu Hydropower Project kicked off construction

Progressively developing the Yangtze River Basin



Construction of the major works of the Three Gorges Project was completed.  
Three Gorges Power Station came into full operation  
China Water Investment Corporation was restructured.

Becoming the largest hydropower company in China; Implementing an integrated strategy to develop clean energy and go global



The Three Gorges Project reservoir impoundment level reached 175m for the first time.  
China Three Gorges New Energy Co. Ltd was established



The underground power house of Three Gorges began power generation



Wudongde Hydropower Station kicked off construction  
Hubei Energy Group was integrated into CTG  
Hohhot pumped storage power station began power generation



Baihetan Hydropower Station kicked off construction

## Major Subsidiaries

### China Three Gorges Projects Development Co., Ltd.

China Three Gorges Projects Development Co., Ltd. ("Company") is a subsidiary wholly owned by CTG. It provides investment, construction, management and consulting services to medium- and large-sized hydropower projects, pumped-storage plants, water conservancy projects and public infrastructure throughout the world.

The Company, formerly the projects development division of CTG, was founded in 1984 and formed into a company in July 2015 as a result of CTG's integration of its project development capabilities. The company is primarily engaged in developing and constructing large-sized hydropower plants. It manages projects both within and outside China. The company completed the construction of hydropower stations with an installed capacity of 43.70 GW. The stations that are under construction have an installed capacity of 26.92 GW. The five hydropower stations, including Three Gorges, Baihetan, Xiluodu, Wudongde and Xiangjiaba, are among the 12 largest hydropower stations in the world by installed capacity.

The Company is broadly involved in developing and constructing projects of pumped storage, wind power, solar power and public infrastructure, and engaged in consultation and supervision business across the world. The company developed and constructed four mega-sized power stations including Xiluodu, Xiangjiaba, Wudongde and Baihetan in the upper reaches of Yangtze

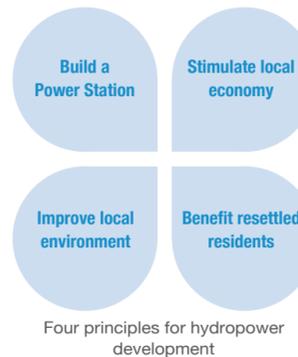
River. It also undertook construction of accommodation highways, bridges, navigation facilities, ports, public facilities and buildings (such as Beijing National Aquatics Center), and the Murum Hydropower Station in Malaysia. Currently, it is undertaking construction of Karot Hydropower Station and Kohala Hydropower Station in Pakistan.

The Company established the concept of "safe development" for daily management and operations. It considers quality as the foundation of project construction and corporate development. Guided by the principle of "zero quality and safety accidents", the company completed the construction of mega-sized hydropower stations including Three Gorges, Xiluodu and Xiangjiaba with high quality, and without material quality problems or safety accidents.

Over the past three decades, the Company gained rich experience in project investment, construction and management from a variety of global construction projects. It has formed a professional team with balanced age structure, comprehensive skill sets and practical management experience that are capable to lead project investment and development, manage construction of large-sized hydropower plants, apply and innovate on hydropower technologies and lead the development of hydropower industry.

Guided by a scientific outlook on development, the Company will thoroughly implement its development principles of

"innovation, coordination, green development, opening-up and sharing." It will actively promote and apply the business philosophy of "building a hydropower station to facilitate local economy, improve the environment and benefit resettled residents." It will continue to enhance the "zero" culture in operations - "zero quality and safety accidents", and equally focus on hydropower development and environmental protection, striving to bring out the optimal value of the economy, society and environment. It envisions to become a world-class project investment, construction, management and consulting company.



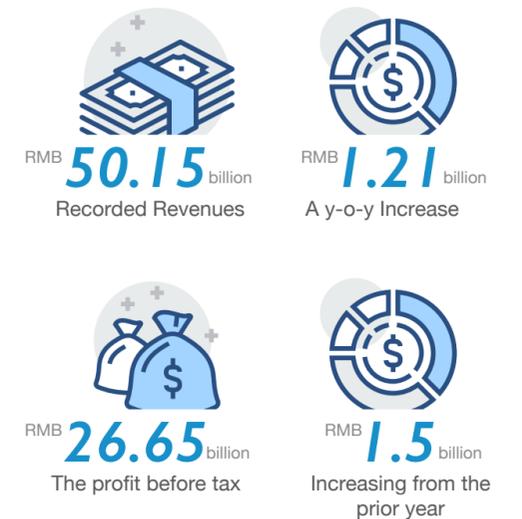
### China Yangtze Power Co., Ltd.

China Yangtze Power Co., Ltd. ("CYPC") was founded on September 29, 2002 upon approval by the State Council. It is a limited company by shares founded through promotion, with CTG as the principal promoter. The company went public at Shanghai Stock Exchange (SHA: 600900) in November 2003.

As of 31 December 2017, CYPC issued 22 billion shares, 62.27% of which were controlled by CTG. The total asset of the company was RMB 299.40 billion; asset liability ratio was 54.74%.

CYPC is the largest public hydropower company in China. It owns all of the power generation assets of the Three Gorges, Gezhouba, Xiluodu and Xiangjiaba Hydropower Stations. The total installed capacity is 45.50 GW and annual generating capacity is 190 TWh.

In 2017, CYPC recorded revenues of RMB 50.15 billion, with a y-o-y increase of RMB1.21 billion. The profit before tax reached RMB 26.65 billion, increasing by RMB 1.5 billion from the prior year. Basic earnings per share is RMB 1.0119, with a y-o-y increase of RMB 0.0673.



## China Three Gorges International Corporation

Founded on August 30, 2011, China Three Gorges International Corporation ("CTGI") is a subsidiary wholly owned by CTG with a registered capital of RMB 29.6 billion. As of the end of 2017, the total assets reached RMB 102.77 billion.

CTGI plays an important role in driving CTG to become the world's leading clean energy group. It facilitates the implementation of CTG's global strategy, and is widely engaged in clean energy collaboration with foreign partners through greenfield investment and equity acquisition. It is committed to supporting Belt and Road Initiatives.

Since its establishment, CTGI has proactively integrated CTG into global markets, and achieved significant progress in developing overseas business, outbound M&A, project construction and power station management. As of today, it has consolidated installed capacity of 8,228.6 MW and overseas installed capacity on a minority equity basis of 7,264.3 MW.

CTGI holds controlling shares in 39 enterprises overseas; holds shares in or jointly invests in 16 enterprises. Among them, China Three Gorges Brasil Energia Ltda. ("CTG Brasil"), a wholly-owned subsidiary of CTGI, primarily focuses on the Brazilian market. In 2016, it acquired Jupia Hydropower Station and Ilha Solteira Hydropower Station in Brazil with a total installed capacity of 5,000 MW. It also has full or partial ownership of 16 other hydropower plants and wind farms, with an installed capacity of over 3,000 MW, making it the second largest private power-generating company in Brazil. CTGI's wholly-owned subsidiaries in Europe primarily focus on West Europe and provide investment services to Europe and North America as well. In 2012, it acquired 21.35% equity of EDP. In 2017, its controlled equity increased to 23.27%, being its single largest shareholder. In 2016, it acquired German offshore wind park Meerwind (288 MW), marking the first outbound acquisition of a large-sized offshore wind park by a Chinese company. In 2017, it worked

with EDP to win the bidding for UK's Moray project, an offshore wind power project with a capacity of over 1,000MW. Together with IFC, a member of the World Bank Group, and the Silk Road Fund, CTGI established China Three Gorges South Asia Investment Co., Ltd. The company, held by CTGI, primarily focuses on Pakistan and provides investment services to South Asia and Southeast Asia. It is currently investing to build Karot Hydropower Station, Kohala Hydropower Station and Pakistan Wind Power phase II, which have been enlisted in China-Pakistan Economic Corridor program. Pre-stage preparation for Mahl Hydropower Project is in process. The total generating capacity under CTGI's control in Pakistan is 3,000 MW. CTGI also jointly formed Hydro Global Peru with EDP. Hydro Global Peru focuses on Peru market and provides investment services to small and medium-sized hydropower plants all over the world. It has invested to develop 206 MW hydroelectric project San Gabán III, which kicked off construction in 2017.

Backed by CTG, CTGI has strong experience and capabilities in planning, engineering, construction and operation of large-sized hydropower projects and new energy projects. It is also capable of coordinating resources to manage large-sized water complex and cascade power stations. At the same time, CTGI has an integrated network of human capital, funding and financing resources in clean energy sector in the overseas markets.

Committed to business values of "Dedication, Excellence, Respect and Responsibility", CTGI focuses on what it does the best, aspires to greater achievements, respects business rules and shoulders its fair share of responsibilities. It proactively engages with and integrates into global markets, and develops in a rapid but steady manner. CTGI aims at making greater contribution to CTG's aspiration of becoming a world-class clean energy group.

## China Three Gorges New Energy Co., Ltd.

China Three Gorges New Energy Co., Ltd. ("CTGNE") is a subsidiary wholly owned by CTG. It carries out the historic mission of developing new energy as CTG's second principal business.

CTGNE vigorously develops onshore wind power, photovoltaic power and offshore wind power. It manages a robust small and medium-sized hydroelectric plants, explores solar-thermal power generation, and keeps close track of technology advancements in renewable energy such as tide and biomass energy. At the same time, CTGNE makes investments in turbine and spare parts manufacturing that are relevant and complementary with new energy business to achieve synergy. It is primarily composed of four business units - wind power, solar power, small and medium-sized hydroelectric plants and equipment manufacturing. The four units complement with each other and develop in synergy. As of the end of December 2017, CTGNE's new energy business covers 30 provinces, autonomous regions and municipalities in China. The total installed capacity of the wind farms, and solar power plants that are under CTGNE's operation reached 7,800 MW. The total assets exceeded RMB 61.27 billion.

As CTGNE is responsible for implementing CTG's new energy strategy, it is committed to the strategic aspiration of "developing wind and solar power" and "becoming a leader in offshore wind power". CTGNE gives priority to both the company scale and profits, and therefore adopts a differentiated and cost-saving approach to development. It aims at becoming a new energy company with a balanced business structure, quality assets, outstanding business performance and exceptional management capabilities, and contributing to the "New Dream" of CTG.



7800<sup>MW</sup>

The total installed capacity



61.27<sup>billion</sup>

The total assets exceeded

## China International Water & Electric Corp.

China International Water & Electric Corp. (“CWE”) is a subsidiary wholly owned by CTG, and is the first state-owned enterprise in hydropower sector to engage in global economic operation. Founded in 1983, it was previously known as the foreign assistance arm of the Ministry of Water Conservancy and Electric Power since founding of the Republic of China. The name CWE was carried on in 2017 after the ownership structure was reformed.

Today, “CTG-CWE” has become a recognizable brand for investments in global EPC and small and medium-sized projects. Many projects that were constructed and developed by CWE have become milestones for global water and hydropower development - there are dams that signify friendship between countries; there are hydropower projects that are known as the local version of “Three Gorges Project”; there are also large-sized water complex and infrastructure projects that are regarded as flagship projects for global collaboration.

CWE has a strong presence in water and hydropower business, and rich experience in infrastructure projects such as power transmission, roads and bridges, port dredging, etc. CWE has set foot in over 80 countries and regions across Asia, Africa, Europe and America, and set up permanent offices in 32 countries and regions. Over the past 10 years, it successfully completed the Merowe Dam Project in Sudan, the Guinea Kaleta Hydropower Station Project, the Nam Lik 1-2 Hydropower Station Project in Laos, the Nam Ngiep 2 Hydroelectric Project, the Kozjak Hydro Power Plant Project in Macedonia, the Moinak Hydropower Station Project in Kazakhstan, the Sudan Upper Atbara Water Control Project, the Cañar Flood Control Project in Ecuador, the Draa Diss Dam Project and the Mahouane Dam

Project in Algeria, Construction of Rabat Beltway in Morocco, Wacha - Maji Road Upgrading Project in Ethiopia and the electrification project in Ghana. It is undertaking projects such as the Souapiti hydropower project in Guinea and the Isimba Hydropower Project in Uganda, which are priority energy projects in respective countries.

CWE has acquired national Class-1 qualifications for EPC of water and hydropower projects, the competence for contracting foreign projects, the competence for importing and exporting, credit ratings of AAA, certifications for quality management, environment management and occupational health management, and the contractor license of the highest grades for construction work in Hong Kong. CWE is among ENR Top 250 International Contractors List for 28 consecutive years, and ENR Top 225 International Design Firms for 17 consecutive years.

Going forward, CWE will follow the principle of healthy and sustainable development to build a global clean energy construction and investment company which integrates “investment, construction, operation and management” activities. CWE will proactively fulfill its social responsibility and focus on local markets. It aims at driving local economic growth, bringing benefits to local people, and leading the development of global clean energy sector through quality, safe, technology-driven and environmentally-friendly projects.

## Hubei Energy Group Co., Ltd.

Hubei Energy was founded in 2005 with the merger of former Qingjiang River Hydropower Investment Company in Hubei province and former Hubei Power Development Company. In 2007, China Yangtze Power Company and China Guodian Corporation invested in Hubei Energy as strategic investors. It then 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 a comprehensive range of services and products, Hubei Energy is committed to safeguarding energy security in Hubei, and developing a regional integrated business platform for CTG - consisting of hydropower, thermal power, nuclear power, new energy, natural gas and coal business and financial investment. Till now, Hubei Energy has set up two energy bases - hydropower station in West Hubei and thermal power station in East Hubei, and has the greatest penetration in Hubei market in terms of new energy business. Hubei Energy has gradually developed an energy network to store and supply coal and natural gas. It also owns equity of many public companies and financial organizations including Changjiang Securities, Hubei Bank, Guodian Changyuan Electric Power and Changjiang Property & Casualty Insurance. As of 31 December 2017, the total installed capacity under operation of Hubei Energy reached over 7000 MW. Its total assets were RMB 46.36 billion, with asset liability ratio of 39.2%. Throughout the year, it generates 21.85 TWh of electricity, recording revenues of RMB 11.59 billion and a net profit of RMB 2.08 billion.

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

Founded in November 1954, Shanghai Investigation, Design & Research Institute Co., Ltd. (“SID-RI”) was moved under Shanghai Municipal Government by Ministry of Water Resources in July 2001. In June 2014, SID-RI was restructured into a subsidiary of CTG with a registered capital of RMB 611.65 million.

SID-RI is a large scale Class-A design institute, which focuses on water resources, hydropower, new energy and environmental engineering. With the capability of one-stop engineering services, SID-RI has established presence in most areas of China and over 20 countries and regions across the world. SID-RI undertook planning, survey and engineering work of over 40 large and medium-sized hydropower projects including Xin’anjiang Project. It provided engineering services for Donghai Bridge Wind Farm in Shanghai - the first offshore wind farm in Asia. It was also engaged in the planning and engineering for projects about environmental protection of Lake Taihu and restoration of water ecosystem. Recognized for its contribution, SID-RI was certified as “National Outstanding Design Institute”, “National Outstanding Water Resources Enterprise” and “High-Tech Enterprise of Shanghai”.

After being incorporated into CTG, SID-RI proactively implements the strategy of becoming a frontrunner in offshore wind power sector, as well as in the “Belt and Road Initiative”. It relentlessly commits to the aspiration of taking on the leadership in hydropower.



## Three Gorges Capital Holdings Co., Ltd.

Three Gorges Capital Holdings Co., Ltd. (“TGCH”) was founded in March 2015. In 2017, strategic investors were invited to increase investment in the company. It now has a registered capital of RMB 7.14 billion, 80% of which are owned by CTG. TGCH is primarily engaged in industry investment, equity investment, investment consulting (services), asset management and investment in securities.

TGCH proactively implements its strategy to leverage the resources from new business development, investments in financial services and corporate financial investments. It focuses on developing new technologies, materials and business models in clean energy sector and actively incubates emerging services and driving forces for the future. By combining industry and finance, TGCH strives to embark on a journey of sustainable, rapid and healthy growth.

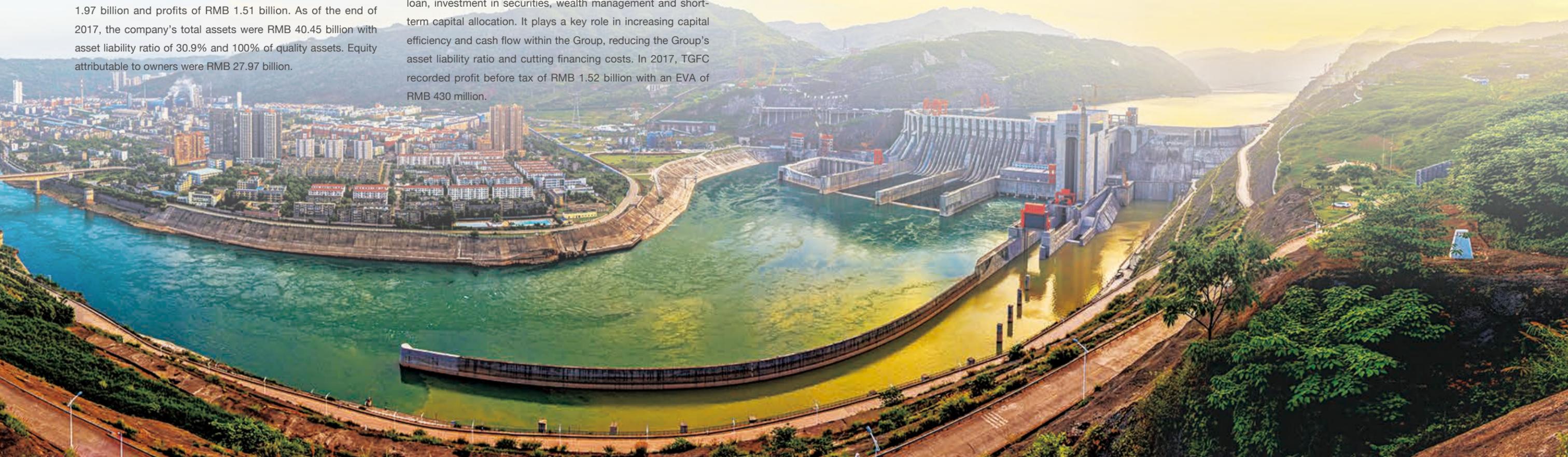
In 2017, by concentrating on CTG’s clean energy business and strategic visions, TGCH seized growth opportunities and developed in a solid and steady manner. Its business performance continued to improve. Throughout the year, TGCH made equity investments of RMB 3.59 billion in total with the return of RMB 1.97 billion and profits of RMB 1.51 billion. As of the end of 2017, the company’s total assets were RMB 40.45 billion with asset liability ratio of 30.9% and 100% of quality assets. Equity attributable to owners were RMB 27.97 billion.

## 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 a registered capital of RMB 4.5 billion. It is a non-bank financial institution specializing in financial services for CTG and its associated companies.

TGFC serves as a platform for CTG to pool, settle, monitor and raise capital and provides financial services to CTG. Guided by the business principle of “giving priority to the Group, focusing on services and regulations, and embracing innovation”, TGFC carries out the mission of “safeguarding capital security, creating financial values and facilitating development of principal business.” TGFC is primarily responsible for managing, settling, mobilizing and monitoring capital, researching the developing trends of financial service industries, implementing financial strategies, and maintaining a pool of talents with financial expertise for the Group. Externally, TGFC connects with the capital and money markets; internally, it improves capital management efficiency and reduces financing costs through financial services to associated companies of the Group. TGFC has gradually developed featured businesses such as digital settlement, deposit/loan, investment in securities, wealth management 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 2017, TGFC recorded profit before tax of RMB 1.52 billion with an EVA of RMB 430 million.

*Provide Clean Energy  
and  
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Add.: Tower B, No.1, Yuyuantan South Road, Haidian District, Beijing

Zip Code: 100038

Tel.: 86- 10- 5708 1999

Fax: 86-10- 5708 2000

Website: [www.ctg.com.cn](http://www.ctg.com.cn)



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