



中国三峡
China Three Gorges Corporation



2018 Annual Report

China Three Gorges Corporation



Basic Information

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English Name: China Three Gorges Corporation

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Letter from Top Management



Lei Mingshan, Board Chairman

雷鸣山



Wang Lin, Director of the Board, President

王林

The year of 2018 marked a critical milestone in the history of China Three Gorges Corporation (CTG). President Xi Jinping inspected the Three Gorges Project in 2018 and delivered an important speech during the visit. President Xi's visit was a momentous occasion in the 100-year history of the Three Gorges Project and also a major historical event for CTG. President Xi's inspection and speech are considered the greatest affirmation and highest praise of the Three Gorges Project and CTG. The entire staff of CTG was greatly inspired by President Xi's visit, strengthening their determination and confidence to build CTG into a world-class clean energy group.

2018 marked the 40th anniversary of China's reform and opening up as well as the 25th anniversary of the founding of CTG. Over the past year, we have thoroughly studied and implemented Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era and the spirit of the 19th CPC National Congress. We are closely united around the CPC Central Committee with Comrade Xi Jinping at its core. We have always maintained a high degree of ideological and political consistency with the CPC Central Committee and we remain true to our aspirations and mindful of our mission. In following our guiding principle of pursuing progress, stability and high-quality development, we have set new records in terms of our key performance indicators. These included increases in installed capacity, power generation, revenue and Profit before income taxes, as well as improvements in scale, efficiency and quality. Our efforts have resulted in important contributions to the growth of the national economy, the promotion of reform and structural adjustment, and the well-being of the people.

In 2018, CTG deeply integrated itself into major national strategies. Consequently, we have continued to get stronger, better and bigger, and we are striving to become the most trustworthy and reliable force of the Party and country.

In 2018, the central government approved our new strategic development positioning and made a clear demand that we should actively serve the country's major strategies and play an integral part in the 'Six Roles'. This has provided us with clearer development ideas, clearer goals and broader prospects.

In 2018, the Three Gorges Project, often known as one of the pillar projects of China, continues to demonstrate China's capability to the world. The Three Gorges Project generated more than 100 billion kilowatt hours of electricity for the first time, setting a new record for the annual output of a single power station in China.

In 2018, we have laid a solid foundation for the new era with the construction of two new projects that will form additional pillars of CTG. More than half of the main construction of Wudongde hydropower station has been completed and the first main hydraulic structure of Baihetan hydropower station has been completely roofed.

In 2018, we resolutely undertook the new mission of protecting the Yangtze River via the establishment of entities and pilot programs in several provinces and cities along the river. These initiatives were our first steps to fulfill our central and pivotal roles in protecting the Yangtze River.

In 2018, we also made a major breakthrough with regards to our offshore wind power development strategy. The Fujian Xinghua Bay and Jiangsu Dafeng wind power projects became operational and a large number of high-quality resources were approved in the Guangdong business area. All of this resulted in CTG's offshore wind power large-scale development program taking a solid step forward.

In 2018, CTG has increased its focus on mitigating various risks in international business, continuously working to deepen man-

agement integration and cultural fusion, and ensuring steady and long-term development.

During this time, we have stayed true to our lofty aspirations. We have helped the country fight the battle against poverty while fully demonstrating our role as a responsible central SOE and winning high recognition from the government and society.

In 2018, CTG delivered a fine report card of steady, solid achievements and progress, thanks to the strong leadership of the CPC Central Committee and the State Council and the strong support and assistance of relevant ministries and commissions, local party committees and governments, and peer enterprises, as well as the hard work of all CTG employees.

Perseverance is important. People who work hard often succeed, just as those who are tireless eventually reach their destination. 2019 marks the 70th anniversary of the founding of the People's Republic of China and it is a crucial year for the building of a prosperous society.

For CTG, 2019 will be a year in which we fully implement the program for the great protection of the Yangtze River. At the same time, it is a key year for further achievements across our operations and a challenging one for deepening reform. CTG will, under the guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, conscientiously study and implement the spirit of the 19th CPC National Congress and the speech made by President Xi Jinping during his inspection. At the same time, we will thoroughly adhere to the new strategic plan that has been set for us and build CTG into a world-class clean energy group. CTG will make significant contributions to the building of a broadly prosperous society and we will help realize the Chinese Dream of national rejuvenation. In this way, we can together greet the 70th anniversary of the People's Republic of China with our outstanding achievements.

2018 Key Performance Indicators

Electricity Generation (in TWh)



Operating Revenue (in Billion)



EBITDA (in Billion)



Installed Capacity (in GW)



Total Assets (in Billion)



Total Tax Paid (in Billion)



Net Profit (in Billion)



Company Profile

China Three Gorges Project Corporation was founded on September 27, 1993, with the approval of the State Council. On September 27, 2009, it was renamed China Three Gorges Corporation (CTG). Following a restructuring of its corporate system, CTG became a solely state-owned company on December 28, 2017.

The strategic development positioning of CTG is as follows: Actively serve major national strategies, such as development of the Yangtze River Economic Belt, and the Belt and Road Initiative; play a backbone role in deeply integrating into the Yangtze River Economic Belt and jointly protect the Yangtze River; guarantee promotion of sustainable development in the region; take a lead in promoting an upgrade of and innovation in the clean energy industry; and deepen reform to build a world-class, transnational clean energy group with strong innovation and global competitiveness.

CTG's principal business includes hydropower project construction and management; power production; international investment and project contracting; new energy development such as wind power and solar energy; comprehensive development and utilization of water resources; and related professional and technical consulting services. Given CTG's sustainable, high-quality and rapid development over the past 20 years, it has become the largest clean energy group in China and the biggest hydropower development and operation enterprise in the world.

At the end of 2018, the consolidated installed capacity of CTG had reached 70.30 GWs, of which 96% was from renewable and clean energy sources. CTG's total installed capacity (including capacities commissioned, under construction and minority-equity based) had

reached 128 GWs. Meanwhile, its consolidated, installed hydro-power capacity represented 14% of the total installed hydro-power capacity in China. CTG had total assets of more than RMB 750 billion, and ranked highly among central enterprises in terms of Profit before income taxes, net profit attributable to the parent company, ratio of profit to cost, overall labor productivity, per capita profit, per capita tax payment and other financial indicators.

CTG takes full charge of the construction and operation of the Three Gorges Project. After more than two decades of hard work, the preliminary design and construction work of the Three Gorges Project was completed as scheduled in 2009, and the Three Gorges Ship Lift Project started its trial operation in September 2016. Delegated by the central government, CTG is also responsible for the development, construction and operation of a cascade of four world-class large hydro-power plants, namely, Xiluodu, Xiangjiaba, Wudongde and Baihetan, on the lower reaches of the Jinsha River. CTG is also active in developing new energy businesses, such as wind power and solar energy as part of its efforts to build new energy segment into its second principal business, and is committed to becoming a leading player in the development of offshore wind farms.

According to central government guidance on its strategic development, CTG will take urban sewage treatment as its starting point and play a backbone role in a concerted effort to protect the Yangtze River in the Yangtze River Economic Belt.

Meanwhile, CTG has accelerated its "going global" push as it is striving to apply an upgraded version of the entire hydropower industry chain in overseas markets. By the end of 2018, CTG's overseas investments and contracting business covered more than 40 countries and regions across Europe, the Americas, Africa and Southeast Asia.

As a new era begins and in the spirit of "serving the country and its people, respecting life and nature, blazing new trails in a down-to-earth manner, pursuing win-win partnerships with an open and inclusive mindset, and keeping good faith and professional ethics," CTG has spared no effort to "build a power station to stimulate the local economy, improve the local environment and benefit resettled residents," in addition to actively fulfilling the social responsibilities of the central enterprise.

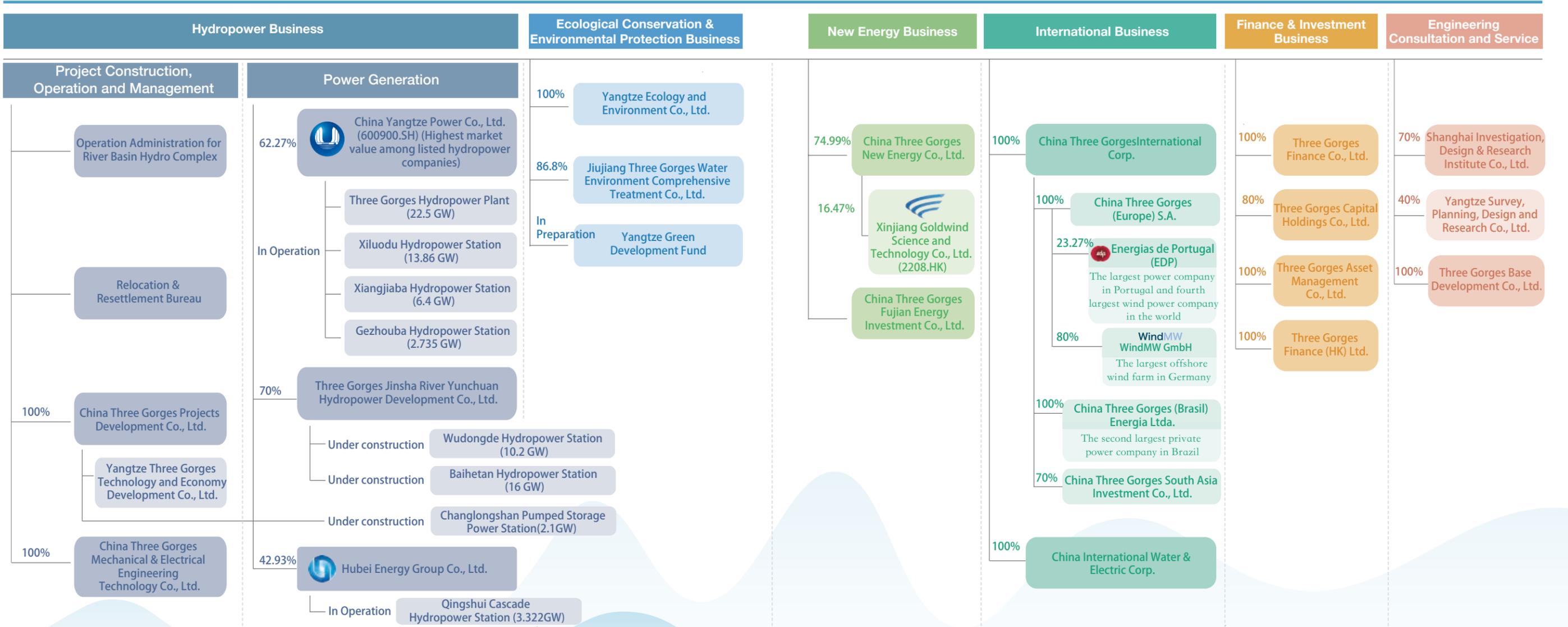
In addition to flood control, water preservation, energy saving, emission reductions and other ecological benefits, CTG has sought to achieve clean energy development through engineering measures, technical means and scientific dispatching, in order to bring ecological, social and economic benefits.

At the same time, CTG has been an active player in terms of social-public welfare projects, such as targeted and precision poverty alleviation, counterpart assistance, co-development with local communities, and providing aids to Xinjiang and Tibet.

CTG has coordinated hydropower development to provide material benefits to resettled local populations, protected the environment, and promoted local economic and social progress, so as to share the achievements deriving from the company's reform and development with more people.

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

Our Business



Directors of the Board



Lei Mingshan
Board Chairman



Wang Lin
Director



Ding Zhongzhi
Outside Director



Wang Zhisen
Outside Director



Zhang Yuanrong
Outside Director



Cai Yongzhong
Staff Director

CTG Executive Team



Lei Mingshan, Board Chairman (5th from right)	Wang Lin, Board Director, President (4th from right)	Lin Chuxue, Executive Vice President (4th from left)
Wang Liangyou, Executive Vice President (3rd from right)	Long Fei, Head of Discipline Inspection Group (3rd from left)	Fan Xiaxia, Executive Vice President (2nd from right)
Zhang Dingming, Executive Vice President (2nd from left)	Yang Xingshi, Executive Vice President, Chief Financial Officer (1st from right)	Sun Zhiyu, Executive Vice President (1st from left)

Development Strategy

Strategic Positioning

Serve the Yangtze River Economic Belt development, The 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; offer fundamental support for regional sustainable development; lead upgrading and innovation efforts of the clean energy industry; deepen reform and step up efforts to build an innovative, world-class multinational, clean energy group with global competitiveness.

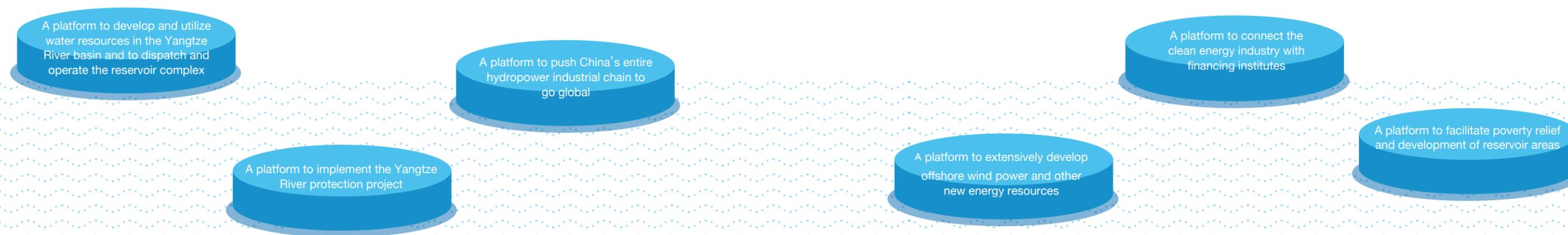
Vision

Given missions in the new-era , we will extend toward “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 “three transitions” at a faster pace, with the aim of becoming a world-class multinational, clean energy group by the year 2020.

The Two Ends

Extend CTG’s business toward two ends: protecting the water environment, ecosystem and resources, power distribution and power supply; in order to contribute to freshwater protection, power system reform and mixed-ownership reform in China.

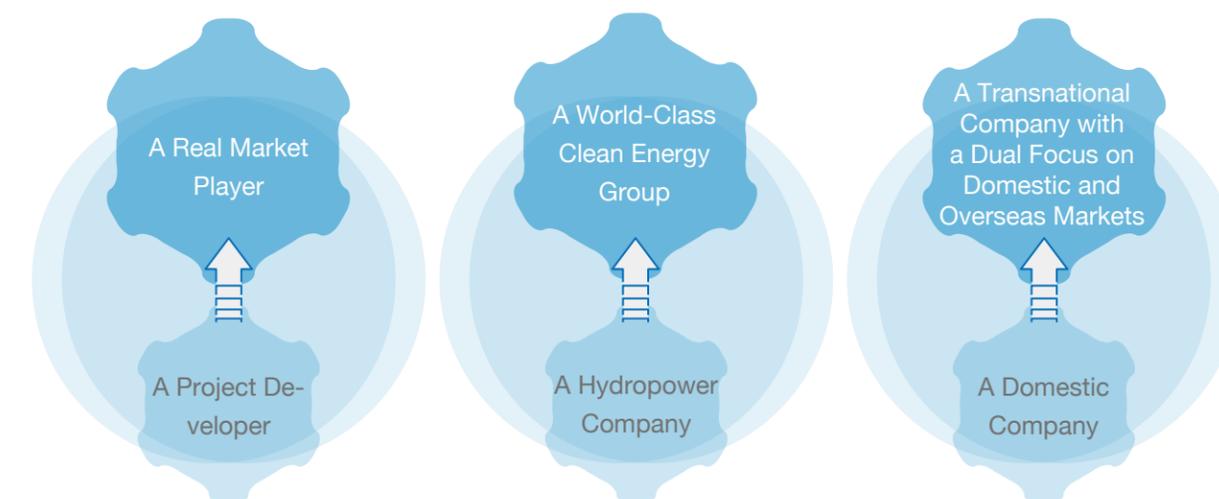
Six Platforms



Three Priorities



Three Transformations



Six Roles

- ▶ Offer a fundamental guarantee for Yangtze River Economic Belt development
- ▶ Be a key player in protecting the Yangtze River
- ▶ Take the lead in pushing China’s hydropower industry to go global
- ▶ Provide impetus to upgrade the clean energy industry
- ▶ Be a pioneer in deepening SOE reforms
- ▶ Set an example in performing social responsibilities

Business Development

Development and Operation of Large Hydropower Projects



Large Hydropower Projects in Operation

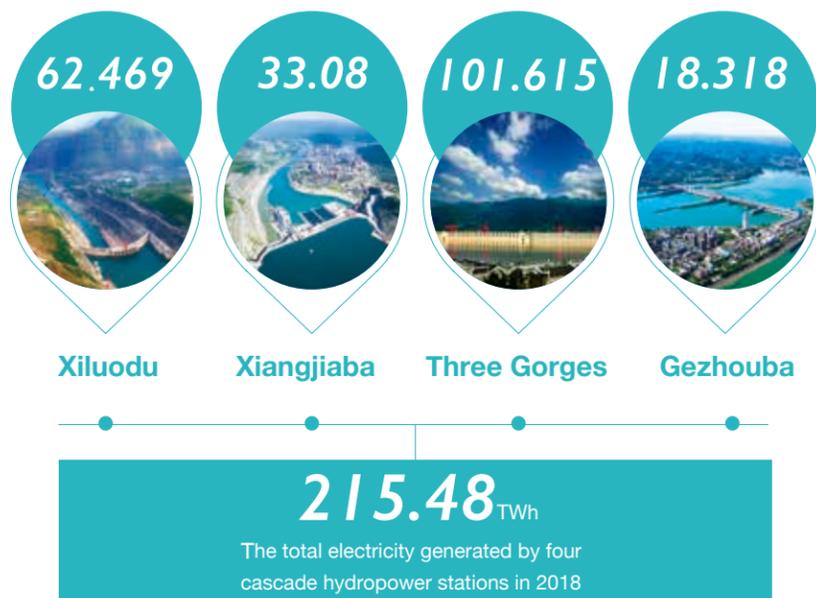
CTG's large hydropower facilities are the industrial pillars of China and have been a huge energy pool for national and social development, in addition to being a major contributor to the Chinese dream of the rejuvenation of the nation. CTG runs nine hydropower plants, in operation or under construction, along the main stream of the Yangtze River and its tributary Qing River, with a total installed capacity of 75 GW. Five reservoirs that support a flood-control capacity of 28.7 billion cubic meters are included in the joint flood-control operation on the upper and middle reaches of the Yangtze River, accounting for 50% of the total capacity that the operation can deliver, to ensure safety, energy supply and environmental protection for the Yangtze River Economic Belt.

CTG manages and operates a cascade of four hydropower stations along the main stream of the Yangtze River, including the Xiluodu, Xiangjiaba, Three Gorges and Gezhouba projects. In 2018, the joint operation of the cascade reservoirs retained approximately 15 billion cubic meters of floodwater, and replenished 22.67 billion cubic meters of water flowing downstream in the dry season. Four cascade hydropower plants generated 215.48 TWh of electricity, pumping abundant clean energy. Through a series of water-saving measures, another 9.93 TWh power was generated.

In this way, the comprehensive benefits of four cascade hydropower plants have been fully realized. Four cascade hydropower plants generated a total of 2400 TWh of electricity, equivalent to a reduction of 760 million tons in standard coal, cutting down on 1.94 billion tons of carbon dioxide, and 20.366 million tons of sulfur dioxide emissions. It has made an important contribution to energy saving and emission reductions, as well as low-carbon and green development.



President Xi Jinping inspects the Three Gorges Project



Three Gorges Project

The Three Gorges Project (TGP) maintained a sound performance in 2018, thanks to steady dam operation, safe and stable power units, and continued efficiency and safe operation of the double-way five-stage ship locks. The trial navigation test of the ship lift has been carried out in a safe and orderly fashion. The comprehensive benefits of flood control, power generation, navigation improvement, water replenishment and environmental protection were delivered.

Flood Control and Water Replenishment

In 2018, TGP reservoir received 457 billion cubic meters of water, 1.3% more than the annual average. The reservoir replenished to the downstream 22.67 billion cubic meters of water for 143 days during the draw-down period. During the flood season, approximately 15 billion cubic meters of floodwater was retained through the joint operation of the cascade complexes (TGP, Xiangjiaba and Xiluodu). The trial water retention of TGP reservoir began on September 10, 2018 and reached the goal of 175m on October 31. Its average discharge during September and October stayed far above the minimum standard approved by the State government, while meeting the demand of water for households and industries in downstream areas.



As the Yangtze River No. 1 flood in 2018 passes through the TGP reservoir, the Three Gorges Hydropower Station opens up deep holes to discharge the flood waters

Providing Clean Energy

In 2018, the power units of the Three Gorges Hydropower Station ran smoothly and generated 101.615 TWh of electricity, registering a record high in terms of the annual electricity generated by a single power plant in China. Through joint operation of the cascade reservoirs, optimal regulation of medium/small floods and elimination of floating debris for good water head, an additional 5.6 TWh of electricity was generated to turn hydropower into better use and increase the benefits of TGP.



Power units run smoothly under the national flag of China

Improving Shipping Conditions

In 2018, the ship locks operated efficiently and safely for the 15th consecutive year, with ships navigating safely and in an orderly fashion during the trial operation of the ship lifts. The ship locks hit a new record high with the passage of 142 million tons of cargo.

In addition to a 94.7% navigation rate (excluding the annual maintenance period), the ship locks also registered a 100% key equipment readiness to ensure smooth navigation along the Yangtze River. An accumulated total of 1.514 million tons of shipment have passed through the ship lift throughout the year to further increase TGP's benefits.



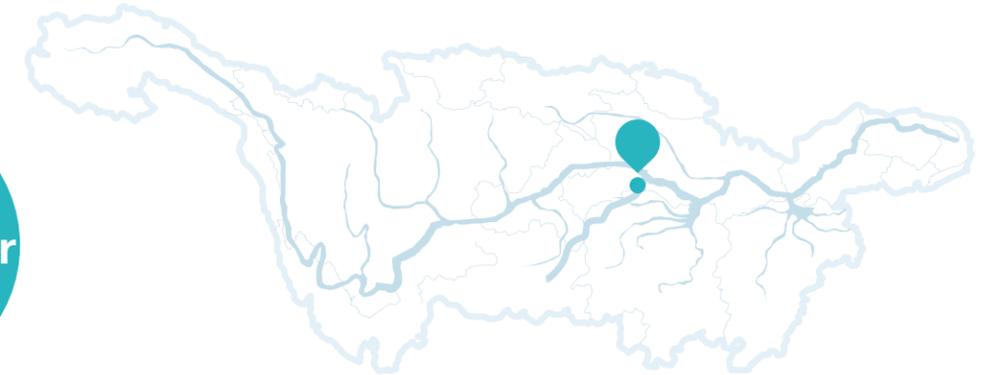
Trial operation of the TGP ship lift



Environmental Protection

In 2018, TGP took in 145 million tons of sediment load, down by some 3.3% from the 2003-2017 y-o-y average. Water quality in the mainstream and tributaries in the reservoir area was on a par with 2017, as evidenced by over 98% II-III water quality among monitored mainstream sections. In addition, 188,000 cubic meters of floating debris were cleared before reaching the dam and hauled out for harmless disposal. TGP underwent two environmental dispatching tests, during which the four major Chinese carps laid some 1.33 billion eggs in the Yidu section of the Yangtze River, reaching a historically high.

Gezhouba Hydropower Station



Gezhouba Hydropower Complex, located about 2,300 meters downstream of the Yangtze River's Nanjing Pass in Yichang, Hubei, at the end of the Three Gorges is part of the navigation cascade. It lies 38,000 meters downstream of TGP, reregulates its unsteady flow and generates considerable power by utilizing the fall in water levels. 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 a low water head and high flow.

Gezhouba hydropower Station commenced construction in May 1971 and was completed in December 1988. In 2018, Gezhouba achieved an annual output of more than 18.318 TWh.

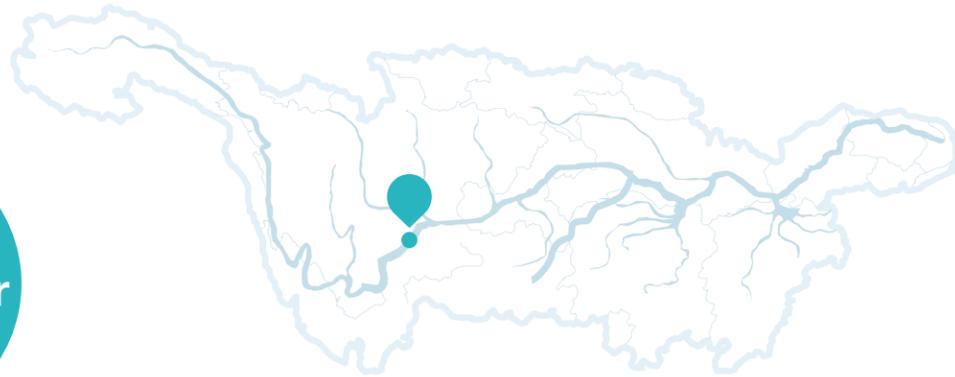
18.318 TWh

Annual Output



Gezhouba Hydropower Station

**Xiluodu
Hydropower
Station**



Xiluodu hydropower Station, the world's fourth largest hydropower plant, is one of the key sources for transmitting electricity from 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, generating an annual average of 61.62 TWh electricity in the long run. At the normal impoundment level, it can support a reservoir capacity of 11.57 billion cubic meters, including 4.65 billion for flood control purposes.

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

Xiluodu Hydropower Station scored an annual output of over 62.469 TWh in 2018.

62.469 TWh
electricity throughout the year 2018



Xiluodu Hydropower Station

**Xiangjiaba
Hydropower
Station**



As the fifth largest hydropower Station 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 is a major source for transmitting electricity from 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 reregulation of the Xiluodu utility.

Xiangjiaba Hydropower Station construction began in 2006, before the river was diverted around the construction site in 2008. Impoundment began on October 10, 2012. The first generating unit was commissioned on November 5, 2012, and the final one on July 10, 2014. In 2016, the hydropower Station passed its safety assessment designed for hydropower complexes upon completion. In 2017, Xiangjiaba ship lift accomplished its first full-scale trial operation, and has a maximum hoisting height of 114.2 meters, a world record. Its lifting capacity can reach about 1,000 tons.

There were zero non-scheduled stops throughout 2018 at Xiangjiaba Hydropower Station, which reached an annual output of over 33.08 TWh in the same year. When the Xiangjiaba ship lift started trial operations, shipping along the Jinsha River entered the era of ship lifts.

33.08 TWh
electricity throughout the year 2018

There were zero non-scheduled stops throughout 2018 at Xiangjiaba Hydropower Station; Jinsha River entered the era of ship lifts



Xiangjiaba Hydropower Station

Large Hydropower Projects under Construction

CTG acts upon and refines the concept of "introducing projects featuring excellence, innovation and integrity that serve people's livelihoods and green development." Furthermore, CTG is dedicated to making Wudongde and Baihetan hydropower stations pillars projects of a great country 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 invaluable assets," CTG aims to develop "green, excellent, exemplary, harmonious and innovative" Changlongshan facilities, leading China's pumped storage hydropower stations toward new success.

Total Installed Capacities of Large Hydropower Projects under Construction



Wudongde Hydropower Station

10.2 GW



Baihetan Hydropower Station

16 GW



Changlongshan Pumped Storage Power Station

2.1 GW

Wudongde Hydropower Station



Located on the lower mainstream of the Jinsha River, at the intersection of Yunnan Province and Sichuan Province, Wudongde Hydropower Station is the 7th largest hydropower Station in the world. It serves as a major source for transmitting electricity from western areas to East China, a key to the large-scale development of the western region and a major project to support the country's "13th Five-year" plan. It carries considerable significance in promoting the national energy restructuring campaign, energy saving and emissions reduction, the 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 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.

Preparatory work for Wudongde hydropower Station began in 2011 and construction of the main part commenced in December 2015, following approval of the 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.

Wudongde hydropower Station was halfway through dam concrete placement on October 22, 2018. A total of 12800MPa ultra-intense, steel volutes finished installing and welding on December 5. It achieved the goals of raising the dam over 100m in height and a concrete placement of over 1 million m³. It was also the first time for the project to achieve the target of "zero accidents and no quality issues" throughout the year.



Baihetan construction site



Wudongde hydropower Station

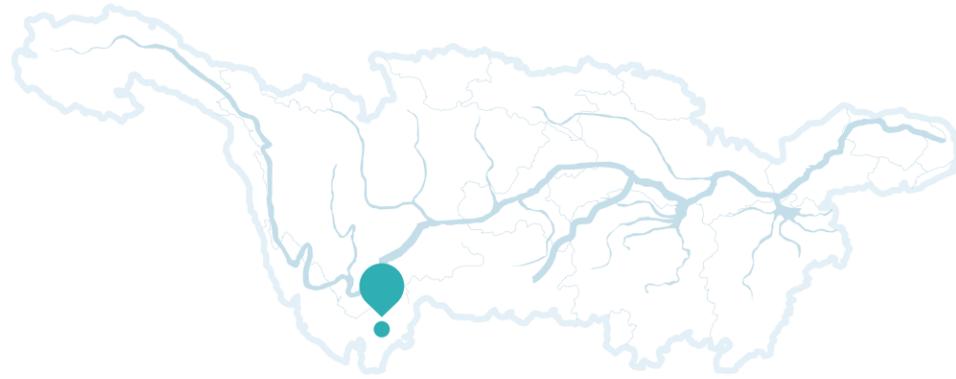
Baihetan Hydropower Station

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 TGP, Xiluodu and Wudongde hydropower stations. It is the world's largest power plant currently under construction, with the second largest installed capacity. It is also one of the key sources for transmitting electricity from western areas to East China. Once completed, the hydropower station will not only perform its main duty of power generation, but also prevent floods, promote local economic and social progress, and lift the resettled local population out of poverty. Silt retention, downstream navigation improvement and the formation of a navigational course in the reservoir area can 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 Station



Building work on the main part started on August 3, 2017, upon approval of the State Council, ushering in a new "GW-level unit" era for the world's hydropower sector and also signaling that China is now a world-leading producer of ultra-large hydropower generators. Several new world records have been broken: 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 terms of technical complexity.

Baihetan dam's concrete placement reached 100m in height on August 4, 2018. On November 22, the first normal concrete placement had been completed on steep tunnels with variable surface for flood discharging, filling an industry gap in China. Its first GW-level hydropower turbine unit seat ring was hoisted into the nest on November 24, while the water inlet tower of the flood discharge tunnel was completed on December 24. The project has achieved the target of "zero accidents and no quality issues" for two consecutive years.

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, leading to greater economic efficiency, stability and safety. It is also of great significance for driving the local economy and creating jobs, as well as promoting steady growth, structural adjustments, and higher living standards.

According to the plan, 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 pumped storage power plants in China. In addition, a 710m rated water head will make it the power station with the 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.

Changlongshan Pumped Storage Power Station cut through the pilot hole in the #1 deviated well of the water channeling system in one go, for the first time. It was the first accurate cut-through in a 400m-long deviated well in China, a domestic record.

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



Changlongshan Pumped Storage Power Station

Ecological conservation and Environmental Protection

CTG has taken a major role in the Joint Protection of the Yangtze River. Guided by the spirit of the 19th CPC National Congress, CTG has made every effort to overcome obstacles and focus on practice to ensure a good start to the Joint Protection of Yangtze River and new progress in environmental restoration and protection.

Coordinate Resources and Establish the Platform of Shared Contribution and Governance

CTG established five major platforms to ensure its principal role in the Joint Protection of the Yangtze River.



The unveiling ceremony of Yangtze Ecology and Environment Co., Ltd in December, 2018



Launching Pilot Projects to Drive Implementation of Projects

The National Development and Reform Commission held a coordination conference of sewage treatment project and other projects on January 16, 2018, concerning CTG and the four provinces along the Yangtze River, which decided to conduct first-phase pilot projects in Yichang of Hubei Province, Yueyang of Hunan Province, Jiujiang of Jiangxi Province and Wuhu of Anhui Province. CTG derived sustainable, replicable and scalable new models, mechanisms, standards and rules from the pilot projects. The second phase of the pilot projects will take place in 12 cities or counties, including Chongqing, Shanghai, Wuhan and Nanjing.

Yichang	Jiujiang	Yueyang	Wuhu
<ul style="list-style-type: none"> Worked with Yichang to build green development demonstration zone. Signed the first partnership agreement between the company and local government in a bid for joint protection of the Yangtze River. Participated in the Protection of Yangtze River and Yangtze River Economic Belt Green Development Initiative in Hubei Province. 	<ul style="list-style-type: none"> Worked with Jiujiang to carry forward the urban sewage treatment demonstration project Participated in the 10 Major Actions for Joint Protection of the Yangtze River in Jiangxi 	<ul style="list-style-type: none"> Signed Framework Agreement of Joint Protection of the Yangtze River and Joint Establishment of Yangtze River Economic Belt Green Development Demonstration Zone Partnership Participated in Hunan Province's event: The Most Beautiful Riverside in the Southern Segment of Yangtze River, the Scenic Zone of Lake Dongting and the Iconic Landmark of One Lake (Dongting Lake) and Four Rivers (Xiang, Zi, Yuan, Li River) 	<ul style="list-style-type: none"> Signed the Joint Protection of Yangtze River Partnership Agreement Participated in Anhui Province's strategic activity: The Beautiful Yangtze River Economic Belt with Clear Water, Green Riverside and High-quality Industry



Active promotion and application of innovative model

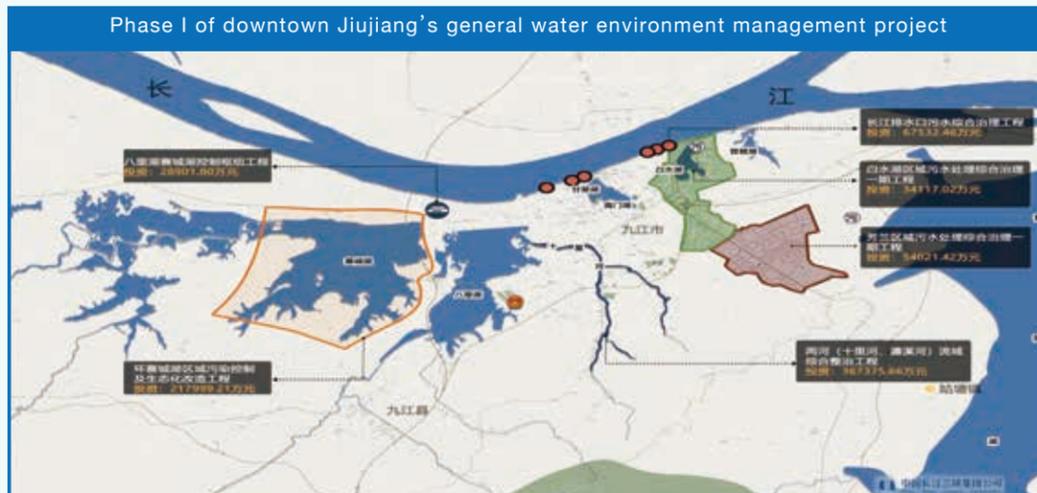
CTG started with urban sewage treatment and prioritized pilot projects based on models such as the integration of riverbank with the plant network and placing equal attention on sludge and water. With the implementation of key projects like the “three water treatment initiatives,” such as water environment treatment, water ecosystem restoration and water resource protection, CTG derived sustainable, replicable and scalable new models and mechanisms, which were applied for the benefit of 11 coastal provinces and cities. A total of 16 projects were launched as of the end of 2018.



Jiujiang Basai Water Control Complex Project

Active Exploration of PPP Model in Joint Protection of the Yangtze River

CTG is actively exploring the establishment of a sustainable investment and financing mechanism. It jointly won the phase I bid of a general water environment management project in downtown Jiujiang. The project spans a term of 20 years with two to three years for construction. It is the first joint PPP project of the joint protection of Yangtze River that is led by CTG to jointly win the bid.



Further Collaboration and Building a Network of Industrial Partners for Joint Protection of the Yangtze River

CTG deepened its strategic partnerships with companies, planning, design and research institutes, financial organizations, etc. It signed a range of framework partnership agreements with several central government-owned enterprises including China International Engineering Consulting Corporation (CIECC), and collaborated with Beijing Enterprises Water Group Limited (BEWG) and other companies in the environment protection industry. CTG also worked with banks and financial organizations in areas such as financial support policies. CTG leverages the advantages of all these partnerships to advance the Yangtze River Protection initiative.

Planning and Design

Shanghai Municipal Engineering Design Institute (Group) Co., Ltd. (SMEDI), North China Municipal Engineering Design & Research Institute Co., Ltd., China Academy of Urban Planning & Design, Changjiang Institute of Survey, Planning, Design and Research (CISPDR), Huadong Engineering Corporation Limited under Power Construction Corporation of China, Chinese Academy of Environmental Planning (CAEP) under Ministry of Ecology and Environment P.R.C., etc.

Financing

Agricultural Bank of China, China Development Bank, Agricultural Development Bank of China, Industrial and Commercial Bank of China, Bank of China, Bank of Communications, China Construction Bank, China Life Insurance Company Limited.

Investment, Operation and Maintenance

Beijing Enterprises Water Group Limited (BEWG), Beijing Capital Co., Ltd., Beijing Orient Landscape Co., Ltd., Sound Group, China Water Environment, SUEZ, China Everbright International Limited, Beijing Origin Water Technology Co., Ltd. ...

Construction

China Railway Group Limited, China National Nuclear Corporation, POWERCHINA, Energy China, China Railway Construction Corporation Limited, China State Construction Engineering Corporation, China National Chemical Engineering Co., Ltd., China Communications Construction, China Metallurgical Group Corporation, China Anneng Construction Corporation ...

Consultation

China International Engineering Consulting Corporation, Policy Research Center for Environment and Economy of Ministry of Ecology and Environment of China, Appraisal Center for Environment and Engineering of Ministry of Ecology and Environment, China Renewable Energy Engineering Institute, Institute for Urban and Environmental Studies Chinese Academy of Social Sciences, China General Consulting and Investment Co., Ltd., Ktrue Consulting, Beijing Qingkong Weishi Consulting, Ltd., E20 Environment Platform, etc.

Research

Tongji University, Tsinghua University, Beijing Normal University, Shanghai Jiao Tong University, Chongqing University, Sichuan University, Wuhan University, Hohai University, Research Center for Eco-Environmental Sciences of Chinese Academy of Sciences, Chinese Research Academy of Environmental Sciences, China Institute of Water Resources and Hydropower Research, Nanjing Institute of Geography and Limnology Chinese Academy of Sciences ...

Build a Network of Industrial Partners for Yangtze River Ecosystem Protection



CTG signs strategic partnership framework agreement with Beijing OriginWater

New Energy Development

Our new energy business gained further momentum in 2018, expanding footprints to 31 provinces, autonomous regions, and municipalities directly under the Central Government. The newly installed capacity that was filed or approved this year amounted to 10.54 GW in 2018. Rooftop distributed PV, distributed wind power and other commercial new trial projects were launched. 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 10 GW and an annual power output of 17.12 TWh, achieving development of scale and efficiency.

● **10.54**^{GW}

The newly installed capacity that was filed or approved

● over **10**^{GW}

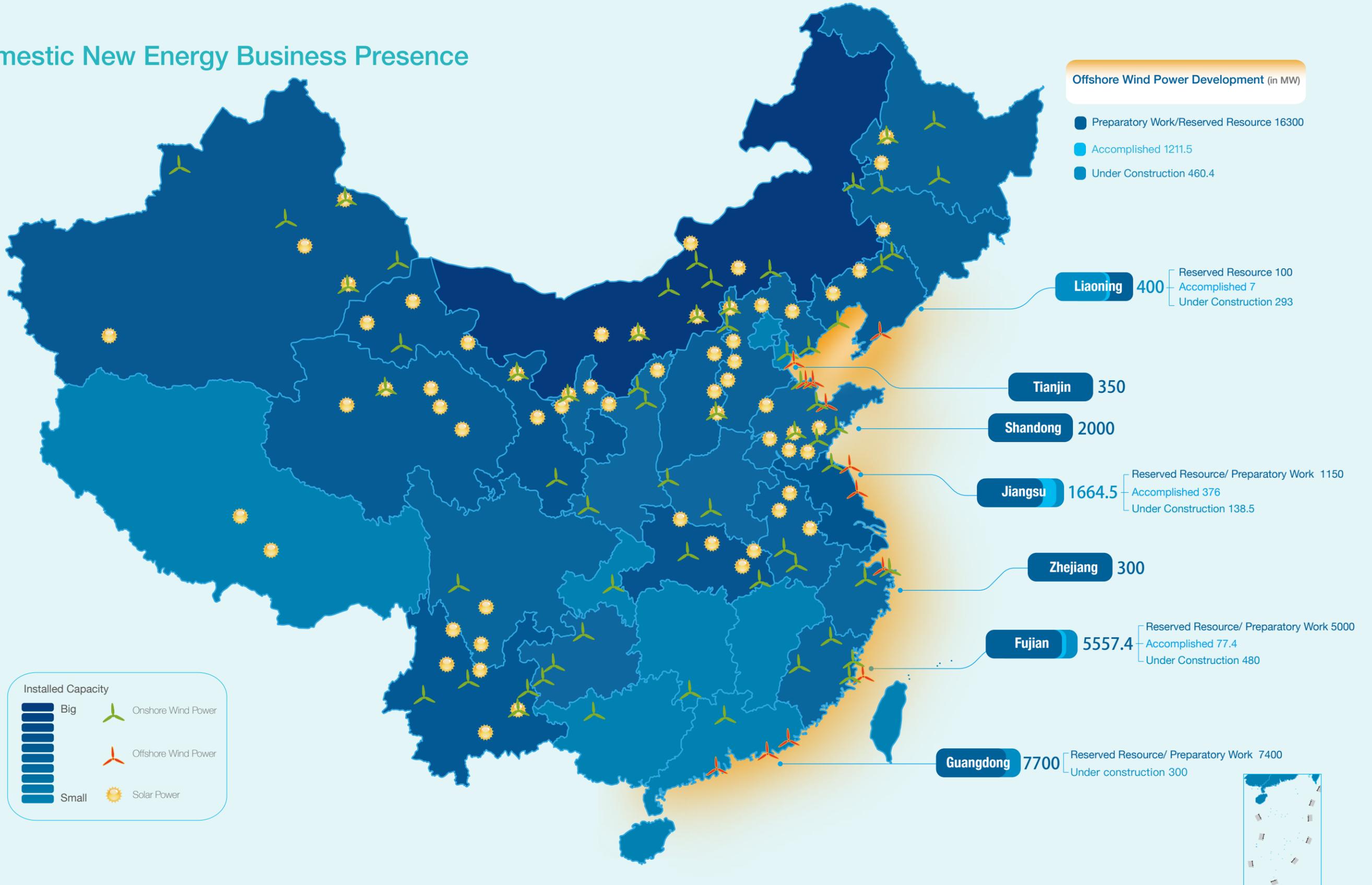
Total installed capacity

● **17.12**^{TWh}

Annual power output



Domestic New Energy Business Presence



Onshore Wind Power Development

CTG has been driving the solid development of the offshore wind power business, building on the advantages of clustering in Inner Mongolia and Xinjiang and optimizing the strategic layout with a focus on Central, East and South China and ultra-high voltage facilities. The new energy wind power initiatives have spread across 26 provinces and districts including Inner Mongolia, Xinjiang, Gansu, Yunnan, Hubei, and so on, with an accumulated installed capacity of over 5,000 MW in operation by the end of 2018.

Highlights

The **100** MW wind power project in Xitieshan, Qinghai, was connected to the power grid and commissioned.

China Three Gorges New Energy's grid-connected project reached a total installed capacity of **over 10,000 MW**.

The **50** MW Phase I wind power project in Mizhi Jicha, Shaanxi Province, commenced construction. CTG's **first** wind power project in Mizhi.

The **60** MW wind power project in Qingshui Baituo, Gansu Province, commenced construction.

Making an active contribution to fight poverty in Qingshui county.

The **100** MW Phase II wind power project in Liushaping, Qinghai Province, commenced construction. CTG's independently approved wind power project with the single largest installed capacity in Qinghai.

The **48** MW Phase II wind power project in Sheqi, Henan Province, had **the first** batch of units connected to the grid and commissioned. **The first** wind power project in Henan invested by CTG.

No. 12 wind power unit of Lichuan Zhongcao Wind Farm in Hubei Province was connected to the grid and commissioned. Completion of the main works for Zhongcao Wind Farm.



Xinjiang Hami Wind Farm

Offshore Wind Farms

To execute the strategy of leading China's offshore wind power business, CTG has actively planned out its business in coastal areas like Guangdong, Jiangsu, Liaoning, Tianjin, Shandong, Zhejiang and so on, shaping the initial landscape of cluster and scale development for offshore wind power. CTG acquired 5.45 GW new offshore wind power resources throughout 2018 and added 7.5 GW wind power that was approved. The first offshore wind power pilot project in Shandong was approved. As of the end of 2018, CTG had gained an accumulated total of 18 GW offshore wind power resources and approved about 9 GW, essentially leading in scale. CTG connected the dots of its projects into a line along China's 18,000 km coastline, setting sail in offshore wind power industry.

Highlights

The **300** MW offshore wind farm in Changyi, Shandong Province, **the first** pilot project to combine offshore wind power and marine ranching in Shandong, was approved. The new integrated model of **offshore wind farm and marine ranching**.

The submarine cables were built for the **300** MW offshore wind power project in Zhuanghe of Dalian, Liaoning Province. Had the cable tail connected to offshore step-up substation, winding up construction of the world's first **200**kV submarine cable.

The first batch of units at the **300** MW offshore wind power project in Dafeng, Jiangsu was connected to the grid and commissioned. It was a solid step for CTG to build a **cluster and scale GW-level** offshore wind power base in Jiangsu.

The offshore wind power project in Xiangshui, Jiangsu won the **Excellent Offshore Project** award. The largest offshore wind power project built in China.

The **400** GW offshore wind power project in Yangjiang Yangxi Shaba, Guangdong Province, was approved. Currently, CTG's largest offshore wind power project in terms of installed capacity, in Guangdong Province.

A series of launches of key offshore wind power projects, such as Phase II offshore wind farm in Xinghua Bay of Fuqing, Fujian Province, and the manufacturing base of Dongfang Electric Corporation and LM Corporation.



Offshore wind power project in Dafeng, Jiangsu

Photovoltaic Business

Active efforts were made in diversified photovoltaic development, orderly development of large-scale, concentrated PV power projects, promotion of distributed PV+ power generation, and exploration of concentrated solar power and other businesses. By connecting the dots, we established a basic layout of PV development in China, covering 18 provinces and districts, including Qinghai, Hubei, Hebei, Sichuan, Shandong, and so on, with a total capacity of over 4,000 MW put into operation as of the end of 2018. Meanwhile, we closely followed the national energy policy and took steady steps to explore ways of connecting PV to the grid without subsidy. The 500 MW PV Forerunner project in Golmud, Qinghai Province, set the first example of affordable connection to the grid, ushering in a new age of affordability for the Chinese PV industry.

Highlights

The project in Golmud, Qinghai, was officially connected to the grid and commissioned. China's first large-scale affordable grid-connected PV project built on the "roof of the world".

The 100 MW PV Forerunner project in Weinan, Shaanxi, was connected to the grid and commissioned. One of the third batch of Forerunner projects in China and CTG's first Forerunner project in Shaanxi.

The 50 MW Phase II PV poverty alleviation project in Dagouying of Guyuan, Hebei Province, was connected to the grid. Developing PV project for poverty alleviation in Zhangjiakou, Hebei Province.

China Three Gorges New Energy's 50 MW Forerunner floating solar power project, in the coalmine subsidence area in Weishan of Jining, Shandong Province, was connected to the grid. An economically beneficial, **eco-friendly and efficient development model** where fishery and photovoltaic businesses complement each other.

The Qingda Changfu PV project in Da'an, Jilin Province by CTG was connected to the grid and commissioned. The photovoltaic projects in Jilin Province that integrates ecosystem protection, agriculture facilities, fishery and poverty alleviation.



The photovoltaic station in Puge, Sichuan Province

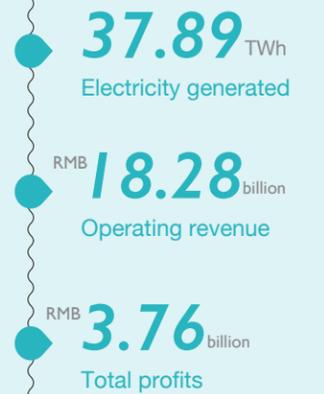
International Operation, Exchange and Cooperation

In 2018, in line with the "going global" strategy and the "Belt and Road" initiative, CTG worked hard to build an upgraded version of hydropower development in overseas. We are committed to being the leader and helping China's hydropower industry chain go international and build our own brand with international influence.

By the end of 2018, CTG had business presence in 47 countries and regions around the globe, investing more than RMB 65 billion in overseas projects. Its consolidated installed capacity and installed capacity on a minority-equity basis for overseas markets reached more than 17,000 MW.

CTG's international business generated 37.89 TWh over 2018 and an accumulated total of 100 TWh electricity with operating revenues of RMB 18.28 billion and total profits of RMB 3.76 billion.

International Business



Overseas Investment and Operation

CTG entered the Chilean market in June 2018 through the acquisition of Atiaia Energía.



Signing ceremony for the Chilean Atiaia Energía project



A map of the Moray offshore wind power project in the UK

CTG acquired a 10 percent of stake in the Moray offshore wind power project in the UK, in December 2018, becoming a stakeholder of the Moray project and entering the world's largest offshore wind power market.

Pakistan Karot hydropower project river closure in September 2018.



Workers celebrate after the Karot hydropower project river closure

International Contracting

Phase I of river closure at Peruvian San Gabán III Hydropower Station completed in July 2018.



Phase I channeling at Peruvian San Gabán III Hydropower Station

Overseas Hydropower Station Operation

Installed Capacity Power Generated in 2018



Brazilian Jupia Hydropower Plant

1551MW
7510GWh



Pakistan Wind Power Project

148.5MW
316GWh



Brazilian Ilha Solteira Hydropower Plant

3444MW
12730GWh



German offshore wind park Meerwind

288MW
1170GWh



Nam Lik 2 Hydropower Station Project in

180MW
500GWh



Photovoltaic Phase I Project, Greece

18MW
30GWh

The first unit of Uganda Isimba Hydropower Station Project was connected to the grid and commissioned in December 2018.



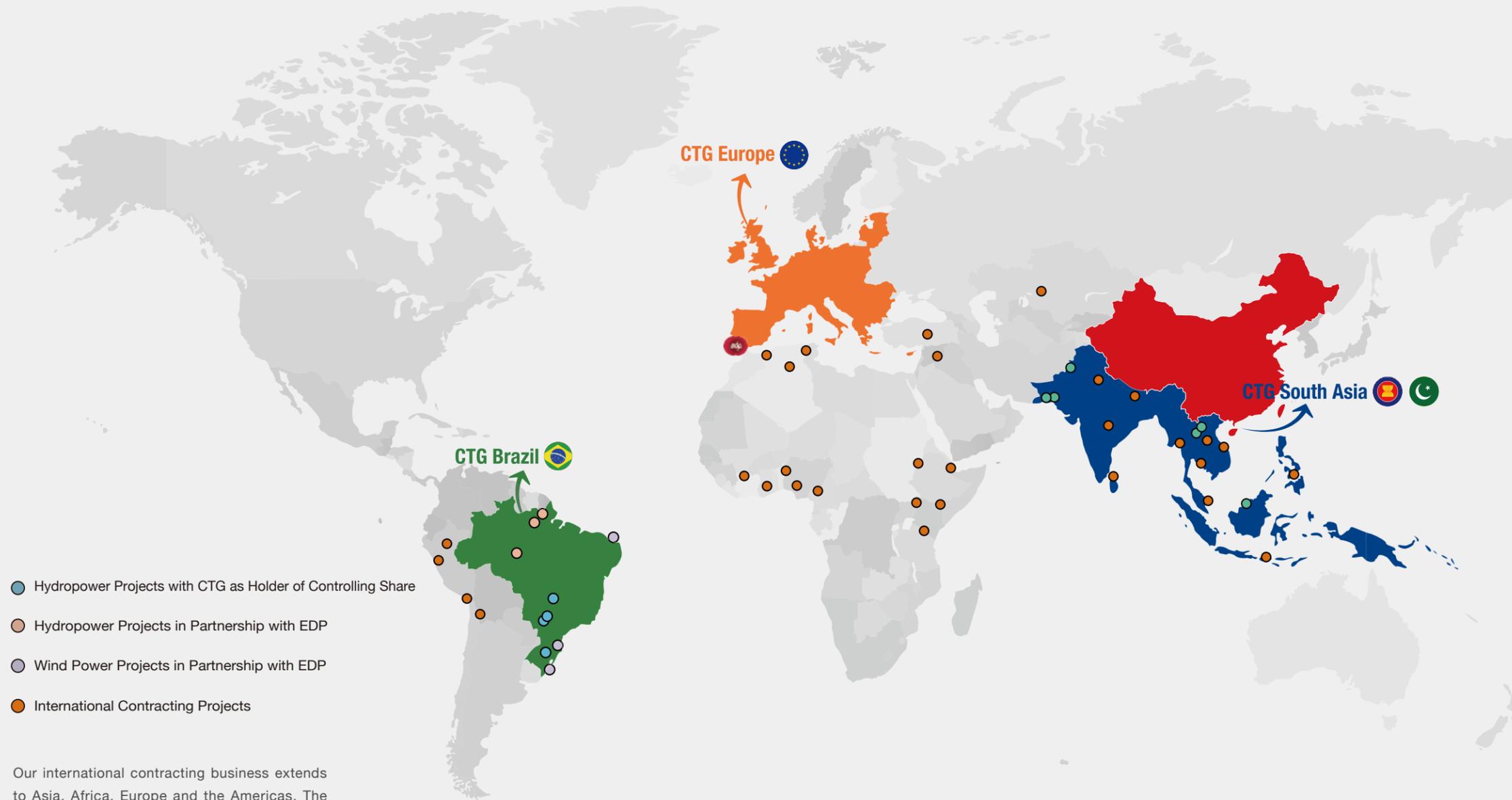
Uganda Isimba Hydropower Station Project

In 2018, CTG constructed the Senegal AMT highway project. As a national project, it also served as a platform to maintain the long-term friendship and partnership between China and Senegal.



Senegal AMT highway project

Global Business Presence



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

Our international contracting business extends to Asia, Africa, Europe and the Americas. The projects under construction are located mainly in Guinea, Ghana, Sudan, Malaysia, the Philippines Ecuador, etc.

CTG Brazil

Brazil is the key market for CTG Brazil who is the second largest non-state-owned power company and the largest private hydropower company in Brazil.

CTG Europe

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

CTG South Asia

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

International Exchange and Cooperation

With the aim of becoming a world-class multinational clean energy group, CTG improved its international exchanges in the following aspects in 2018. First, leaders and experts from the Group were appointed to important positions or served as senior members on panels at international industrial organizations, involving in establishing universal standards. Second, CTG played a leading role in the industry by strengthening exchanges and cooperation with the United Nations, inter-governmental agencies and NGOs. Third, CTG attended important international conferences to improve its global impact. Fourth, CTG learned global leading concepts, tools and best practices to enhance management of its overseas operations. Fifth, CTG held fruitful seminars themed on key projects on Jinsha River, offshore wind power technology and management challenges.



Lei Mingshan, Chairman of CTG, signs the agreement with EDP

In December of 2018, Chinese President Xi Jinping and Prime Minister of Portugal António Costa witnessed Lei Mingshan, Chairman of CTG, and António Mexia, CEO of EDP sign the Cooperation Agreement in Lisbon.

The 9th Chinese-German Forum for Economic and Technological Cooperation was held in Berlin, Germany, in July 2018, where Chinese Premier Li Keqiang and German Chancellor Merkel delivered important speeches. Wang Lin, President of CTG, was invited to attend and sign the Strategic Partnership Agreement between CTG and Voith for a hydropower station in Angola.



Wang Lin, President of CTG signs an agreement with Voith



Seminar on Chinese-German Third-Party Markets Cooperation

In March 2018, Wang Lin, President of CTG, delivered a speech at the Seminar on Chinese-German Third-Party Markets Cooperation, hosted by CTG, in Beijing. He also exchanged information with other participants on third-party market cooperation between Chinese and German companies.



CTG organized IHA's Beijing Forum on Hydropower & Future Energy Systems

CTG organized IHA's Beijing Forum on Hydropower & Future Energy Systems in May 2018, where discussion upon acceleration of energy transition, and the increased proportion of green and low carbon energy in the energy structure, including hydropower technology innovation. Participants also shared their experience of hydropower projects in various countries and had a heated discussion over how to achieve goals of Paris Agreement.

CTG participated in the 86th Annual Conference and 26th Congress of the International Commission on Large Dams (ICOLD) in July 2018. As the key agency of Committee on Integrated Operation of Hydropower Stations and Reservoirs (Committee K) and Committee on Resettlement Due To Reservoirs (Committee RE), CTG also organized conferences.



The founding ceremony of Committee RE of ICOLD during the Conference in Austria



Dialogues with TNC

In October 2018, Lei Mingshan, Chairman of CTG, met with The Nature Conservancy (TNC) delegation, including CEO Mark Tercek, for in-depth discussion about Coordinated Protection of Yangtze River, hydropower eco-protection, international cooperation, talent training, and so on, with a 2018-2023 CTG and TNC Memorandum of Cooperation signed.

Investment and Finance

China Yangtze Power won Award for Asia's Most Respected Company on Corporate Governance and Award for the Listed Company with Most Worthy Investment

China Yangtze Power Co., Ltd. received Award for Asia's Most Respected Company on Corporate Governance from the Investor Institute, and the China Securities Golden Bauhinia Award, with a subtitle of the Award for the Listed Company with Most Worthy Investment. Its impact was increased in the field and it had been ranked as a Class A evaluation for its information disclosures by Shanghai Stock Exchange for five consecutive years by the end of 2018.

Issuance of Phase II commercial paper for 2018 (poverty alleviation)

CTG's Phase II commercial paper for 2018 (poverty alleviation), mainly underwritten by the Bank of China, was issued in December 2018. It was the Group's first attempt at poverty alleviation bond in the open market. Following CTG's largest corporate euro green bond in Asia and the first issuance of Bond Connect in China, it was the second time they worked together to launch innovative products for targeted poverty alleviation.

Ranking top 10 shareholders of Bank of Beijing

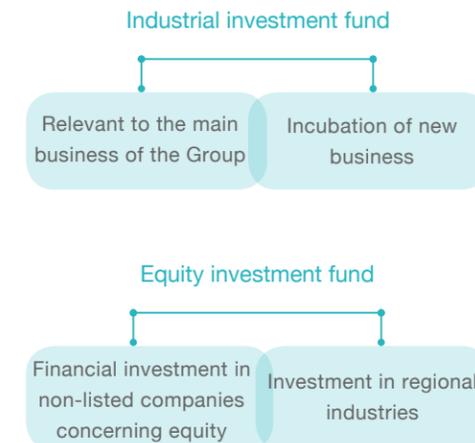
CTG invested in Bank of Beijing in 2017 and became one of the top 10 shareholders of the bank in 2018 through increasing its stake in the company.



Group photo of the first session of the second board of directors of China Three Gorges New Energy Co., Ltd.

Funds under management

Funds under management of Three Gorges Capital Holdings Co., Ltd. (TGCHC) | RMB **33** billion



China Three Gorges New Energy Introducing Strategic Investors

China Three Gorges New Energy closed financing with a total of RMB 11.746 billion in March 2018 from eight investors, including Ducheng Weiye Group Co., Ltd., China Water Conservancy and Hydropower Engineering Consulting Co., Ltd. It was the largest equity financing case in China's new energy market in recent years.

Three Gorges Capital Holdings Co., Ltd. lays out its financing and leasing business

Ruiyuan Financing and Leasing (Tianjin) Co., Ltd. was jointly founded by Three Gorges Capital Holdings Co., Ltd. and Three Gorges Capital Holdings (Hong Kong) Co., Ltd. in April 2018 with a registered capital of RMB 250 million. It was headquartered in Dongjiang and turned out to be profitable in its first year of operation.

Three Gorges Capital Holdings Co., Ltd. saw its high-efficiency solar power technology applied in major projects

Three Gorges Capital Holdings signed a Silicon Heterojunction (SHJ) Solar Cells Industrialization Strategic Partnership Agreement and Corporate Investment Agreement with Tongwei Solar and Shanghai Institute of Microsystem and Information Technology in May 2018. It actively explored prospect of clean energy as well as an innovative development model featuring that national capital investment promoted industrialized technical innovation, and thus developed new business for the Group.



The Silicon Heterojunction (SHJ) Solar Cells Industrialization Strategic Partnership Agreement is signed

Financial Indicators

Auditor's Report



Auditor's Report

XYZH/2019BJA60337

To China Three Gorges Corporation

1. Opinion

We have audited the financial statements of China Three Gorges Corporation (hereinafter referred to as the "Three Gorges Corporation"), which comprise the consolidated and parent company's balance sheet as at December 31, 2018, the consolidated and parent company's income statement, the consolidated and parent company's cash flow statement and the consolidated and parent company's statement of changes in owners' equity for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements of Three Gorges Corporation present fairly, in all material respects, the consolidated and parent company's financial position as at December 31, 2018, the consolidated and parent company's results of operations and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

2. Basis for Opinion

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

3. Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2018. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accuracy of operating cost	
Key Audit Matter	Summary of the Audit Approach
As refer to Notes VIII (47) to the consolidated financial statements, Three Gorges Corporation recognized RMB 44.61 billion of operating cost during the year 2018 which mainly consists of the generating electricity cost, which amounting to RMB 32.12 billion.	Our audit procedures included, among others: --Attending and performing stocktaking of the fixed assets. --Examining the accuracy of ownership and classification of the fixed assets. --Examining the validity of the increase or decrease of the fixed assets, as well as the accuracy of accounting treatments including interest capitalization, etc.
The generating electricity cost of Three Gorges Corporation mainly consist of depreciation cost of fixed assets and financial levies, etc. which have significant impacts on financial statements.	--Recalculating the accuracy of fixed assets depreciation and financial levies included in operating costs. --Performing analytical review on the reasonableness of the operating cost for the current and prior years and obtaining sufficient audit evidence if there exist abnormality.
Accordingly, we identify the operating cost as the key audit matter.	--Assessing the appropriateness on the disclosure of Three Gorges Corporation's operating cost.

4. Other Information

The management of Three Gorges Corporation (hereinafter referred to as the "Management") is responsible for other information. Other information comprises the information included in the Three Gorges Corporation 2018 annual report, but does not include the financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

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

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

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

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

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of its internal control.

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

(4) Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material

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

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

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

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

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

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


ShineWing Certified Public Accountants LLP

April 29, 2019

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



Main Financial Indicators

Item	2014	2015	2016	2017	2018
Total assets (RMB billion)	475.51	563.37	660.06	700.90	750.41
Equity attributable to parent company (RMB billion)	236.87	245.99	268.95	279.29	290.27
Operating revenue (RMB billion)	63	63.52	78.31	90.00	93.938
Net profit (RMB billion)	25.97	28.82	23.92	34.30	35.26
Ratio of costs and expenses to revenue (%)	60.4	63.1	62.6	64.0	65.3
EBITDA (RMB billion)	49.22	50.39	61.84	65.88	64.77
Return on owner's equity (%)	9.9	9.9	7.3	9.5	9.2
Interest-bearing net debt (RMB billion)	130.63	147.04	191.23	223.73	246.85
EBITDA interest coverage (X)	6.8	7	6.0	6.2	5.3
Interest-bearing net debt / EBITDA (X)	2.7	2.9	3.1	3.4	3.8
Total interest-bearing liabilities / Total assets (%)	31.3	34.8	36.0	37	38.4
Asset liability ratio (%)	42.14	45.08	46.9	47.0	47.3

Financial Statements

Consolidated Balance Sheet
December 31, 2018

Unit: RMB

Item	Note VIII	As at December 31, 2018	As at January 1, 2018	As at December 31, 2017
Current assets:				
Cash at bank and on hand	1	41,683,686,295.76	36,258,136,300.19	36,246,340,595.63
△ Settlement reserve				
△ Due from banks and other financial institutions	2	1,485,000,000.00		
△ Financial assets held for trading				
Financial assets at fair value through profit or loss	3	1,515,541,485.50	929,860,198.16	929,860,198.16
Derivative financial assets				
Notes receivable and accounts receivable	4	18,104,694,978.12	14,894,284,230.37	14,890,725,742.95
Advances to suppliers	5	4,273,749,577.37	5,709,253,858.99	5,708,097,653.97
△ Premiums receivable				
△ Reinsurance premium receivable				
△ Reserve receivable for reinsurance				
Other receivables	6	1,838,276,555.50	1,759,060,829.59	1,764,155,982.60
△ Financial assets purchased under agreements to resell				
Inventories	7	1,350,397,315.54	1,448,464,404.45	1,448,390,045.47
Including: Raw materials		735,158,580.41	530,882,101.69	530,807,742.71
Merchandise stocks (Finished goods)		144,197,529.35	94,574,385.64	94,574,385.04
△ Contractual assets				
Hold-for-sale assets				
Non-current assets due within one year	8	267,851,980.45	450,020,914.58	450,020,914.58
Other current assets	9	4,238,029,489.45	3,124,381,114.85	3,124,381,114.85
Total current assets		74,797,227,677.69	64,573,440,951.18	64,561,971,298.21
Non-current assets:				
△ Loans and advances				
△ Debt investments				
Available-for-sale financial assets	10	77,666,059,384.11	66,199,336,548.60	66,141,443,089.22
△ Other debt investments				
Hold-to-maturity investments	11	10,000,000.00	10,000,000.00	10,000,000.00
Long-term receivables	12	16,915,209,254.72	18,608,461,394.33	18,608,461,394.33
Long-term equity investments	13	75,359,985,766.98	71,836,944,561.48	68,641,808,899.58
△ Other equity instruments investments				
△ Other non-current financial assets				
Investment properties	14	1,265,209,697.09	1,199,904,493.63	1,106,597,423.62
Fixed assets	15	321,230,723,746.39	333,701,193,341.86	333,917,174,225.14
Construction in progress	16	829,457,069,963.44	96,599,047,707.57	96,599,047,707.57
Productive biological assets				
Oil and gas assets				
Intangible assets	17	21,415,375,901.56	22,272,041,838.12	21,693,378,644.56
Development expenditures	18	310,377.36		
Goodwill	19	6,645,089,872.20	5,692,000,359.15	5,692,000,359.15
Long-term deferred expenses	20	316,524,077.04	276,872,348.78	264,858,820.83
Deferred tax assets	21	12,790,123,564.54	12,267,550,503.07	12,267,550,503.07
Other non-current assets	22	12,536,543,919.59	11,392,666,257.50	11,392,666,257.50
Including: Authorized reserve assets				
Total non-current assets		675,668,214,524.12	640,050,019,374.29	636,334,987,334.58
Total assets		750,465,442,201.81	704,623,460,325.47	700,896,958,632.79

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

Consolidated Balance Sheet (Continued)
December 31, 2018

Unit: RMB

Item	Note VIII	As at December 31, 2018	As at January 1, 2018	As at December 31, 2017
Current liabilities:				
Short-term borrowings	24	15,545,393,831.85	18,533,814,009.60	18,533,814,009.60
△ Borrowings from central bank				
△ Deposits from customers, banks and other financial institutions	25	977,950,646.99	990,776,829.04	990,776,829.04
△ Placements from banks and other financial institutions				
△ Financial liabilities held for trading				
Financial liabilities at fair value through profit or loss	26	492,164,591.91	513,947,206.47	513,947,206.47
Derivative financial liabilities	27	373,566,066.00	505,828,473.85	505,028,473.85
Notes payable and accounts payable	28	14,045,942,884.36	14,058,907,163.95	14,051,259,996.59
Advances from customers	29	2,824,640,099.10	3,905,970,652.52	3,892,942,759.37
△ Contractual liabilities				
△ Financial assets sold under agreements to repurchase				
△ Fees and commissions payable				
Employee benefits payable	30	803,696,964.45	793,529,711.12	792,711,145.01
Including: Salary payable		475,369,243.57	514,565,876.45	514,513,233.87
Welfare payable				
#Including: Employee bonus and welfare funds				
Taxes payable	31	4,870,838,200.47	5,667,769,600.82	5,669,217,286.95
Including: Accrued tax		4,829,167,505.62	5,595,301,456.99	5,587,769,343.12
Other payables	32	31,612,612,342.73	32,443,511,166.87	32,441,754,599.49
△ Reinsurance accounts payable				
△ Reserve of insurance contract				
△ Securities borrowing				
△ Securities underwriting				
Hold-for-sale liabilities				
Non-current liabilities due within one year	33	24,697,914,753.74	18,992,494,414.22	18,992,494,414.22
Other current liabilities	34	12,632,079,825.72	19,616,649,110.70	19,616,649,110.70
Total current liabilities		108,876,800,127.12	116,022,378,139.16	115,991,596,822.29
Non-current liabilities:				
Long-term borrowings	35	86,760,372,007.00	55,872,934,276.24	55,872,934,276.24
Bonds payable	36	147,434,905,573.90	146,093,139,583.00	146,093,139,583.00
Including: Preferred shares				
Perpetual bonds				
Long-term payables	37	1,333,280,665.91	822,839,792.44	822,839,792.44
Long-term employee benefits payable	38	50,406,716.89	54,655,618.11	43,185,618.11
Provisions	39	4,441,011,950.65	4,140,320,427.17	4,140,320,427.17
Deferred income	40	1,543,062,912.63	1,180,205,907.32	1,177,405,907.32
Deferred tax liabilities	21	4,198,580,771.93	6,199,510,992.59	5,279,274,804.20
Other non-current liabilities	41	124,507,958.51	130,587,745.84	130,587,745.84
Including: Authorized reserve fund				
Total non-current liabilities		245,876,128,497.44	214,493,994,442.51	213,559,688,254.32
Total liabilities		354,752,928,624.56	330,516,372,581.67	329,551,285,076.61
Owners' equity:				
Paid-in capital	42	211,781,023,501.31	211,412,063,501.31	211,412,063,501.31
State-owned capital		211,781,023,501.31	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: Prepaid capital				
Net paid-in capital		211,781,023,501.31	211,412,063,501.31	211,412,063,501.31
Other equity instruments				
Including: Preferred shares				
Perpetual bonds				
Capital reserve	43	26,044,528,162.74	25,468,676,656.38	22,637,041,767.47
Less: Treasury shares				
Other comprehensive income	62	-2,895,016,096.94	3,639,574,688.78	3,662,096,916.16
Including: Foreign currency translation differences		-4,425,410,026.97	-1,413,115,430.05	-1,413,115,430.05
Special reserve	44	476,078.01	210,716.09	210,716.09
Surplus reserve	45	26,223,762,763.94	25,115,812,442.82	25,114,212,603.78
Including: Statutory surplus reserve		15,644,912,412.99	14,536,939,457.26	14,535,359,618.22
Discretionary surplus reserve		10,578,850,350.95	10,578,872,985.56	10,578,850,350.95
#Reserve fund				
#Enterprise development fund				
#Return of investment				
△ General risk provision				
Retained earnings	46	29,113,249,051.83	16,361,832,657.85	16,463,931,008.96
Total owner's equity attributable to parent company		290,268,015,469.89	282,018,180,463.23	279,289,556,505.77
* Non-controlling interests		105,584,426,731.92	92,088,898,280.57	92,085,127,050.41
Total owner's equity		395,852,442,201.81	374,107,088,743.80	371,374,683,556.18
Total liabilities and owners' equity		750,605,370,826.37	704,623,460,325.47	700,896,958,632.79

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



Balance Sheet of the Company

December 31, 2018

Unit: RMB

Company Name: China Three Gorges Corporation	Note XIII	As at December 31, 2018	As at January 1, 2018	As at December 31, 2017
Current assets:				
Cash at bank and on hand		34,512,241,575.16	23,845,623,286.70	23,845,623,286.70
△Settlement reserve				
△Due from banks and other financial institutions				
△Financial assets held for trading				---
Financial assets at fair value through profit or loss				
Derivative financial assets				
Notes receivable and accounts receivable				
Advances to suppliers		143,243,417.47	146,952,526.39	146,952,526.39
△Promissory receivable				
△Reinsurance premium receivable				
△Reserve receivable for reinsurance				
Other receivables	1	965,269,513.96	1,552,253,219.61	1,552,253,219.61
△Financial assets purchased under agreements to resell				
Investments			72,369.35	72,369.35
Including: Raw materials				
Merchandise stocks (Finished goods)				
△Contractual assets				---
Held-for-sale assets				
Non-current assets due within one year		16,941,354,188.52	19,950,789,758.68	19,950,789,758.68
Other current assets		8,191,755,489.32	17,169,733,464.34	17,169,733,464.34
Total current assets		60,753,864,184.43	62,665,424,625.07	62,665,424,625.07
Non-current assets:				
△Loans and advances				
△Debt investments				---
Available-for-sale financial assets		24,564,809,151.23	22,076,395,169.75	22,076,395,169.75
△Other debt investments				---
Held-to-maturity investments		28,000,000.00	28,000,000.00	28,000,000.00
Long-term receivables		34,632,945,436.94	41,232,945,436.94	41,232,945,436.94
Long-term equity investments	2	166,891,087,113.69	163,919,317,549.27	159,881,819,191.13
△Other equity instruments investments				---
△Other non-current financial assets				---
Investment properties				
Fixed assets		28,879,442,978.61	29,610,706,725.07	29,610,706,725.07
Construction in progress		442,695,000.06	530,663,370.96	483,424,400.41
Productive biological assets				
Oil and gas assets				
Intangible assets		409,368,189.60	416,167,153.91	416,167,153.91
Development expenditures				
Goodwill				
Long-term deferred expenses				
Deferred tax assets		717,215,889.29	587,443,901.17	599,943,901.17
Other non-current assets		88,096,305,202.51	72,504,470,148.04	72,504,470,148.04
Including: Authorized reserve asset				
Total non-current assets		344,661,868,962.43	330,906,109,455.11	326,833,872,126.42
Total assets		405,415,733,146.86	393,571,534,080.18	389,499,296,751.49

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



Balance Sheet of the Company (Continued)

December 31, 2018

Unit: RMB

Company Name: China Three Gorges Corporation	Note XIII	As at December 31, 2018	As at January 1, 2018	As at December 31, 2017
Current liabilities:				
Short-term borrowings		6,250,000,000.00	13,241,000,000.00	13,241,000,000.00
△Borrowings from central bank				
Deposits from customers, banks and other financial institutions				
△Financial liabilities held for trading				---
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities				
Notes payable and accounts payable		117,960,109.89	93,907,162.30	93,907,162.30
Advances from customers		10,184,135.60	9,486,570.80	9,486,570.80
△Contractual liabilities				---
△Financial assets sold under agreements to repurchase				
△Fees and commissions payable				
Employee benefits payable		253,458,400.87	347,141,364.79	347,141,364.79
Including: Salaries payable		321,264,872.28	321,264,872.28	321,264,872.28
Welfare payable				
#Including: Employee bonus and welfare funds				
Taxes payable		946,251,410.18	1,189,606,539.66	1,190,296,797.02
Including: Accrued tax		945,665,275.00	1,186,321,419.12	1,187,611,676.48
Other payables		4,541,794,077.88	5,759,388,590.65	5,809,388,590.65
△Reinsurance accounts payable				
△Reserve of insurance contract				
△Securities brokering				
△Securities underwriting				
Held-for-sale liabilities				
Non-current liabilities due within one year		18,158,120,468.04	11,878,856,596.18	11,878,856,596.18
Other current liabilities		5,993,639,054.02	15,289,752,364.94	15,289,752,364.94
Total current liabilities		36,371,407,656.48	47,869,139,189.32	47,859,829,446.68
Non-current liabilities:				
Long-term borrowings		42,803,428,432.00	13,007,712,616.00	13,007,712,616.00
Bonds payable		99,352,994,436.80	64,298,245,935.12	64,298,245,935.12
Including: Preferred shares				
Perpetual bonds				
Long-term payables		34,522,429.77	34,534,917.14	34,534,917.14
Long-term employee benefits payable				
Provisions				
Deferred income		1,186,589,477.81	873,447,329.54	873,447,329.54
Deferred tax liabilities		1,232,660,478.46	2,318,083,910.08	1,368,709,326.55
Other non-current liabilities				
Including: Authorized reserve fund				
Total non-current liabilities		104,616,195,268.84	80,532,024,707.88	79,522,650,118.35
Total liabilities		140,987,602,925.32	128,401,163,897.20	127,382,479,565.03
Owners' equity:				
Paid-in capital		211,781,023,501.31	211,412,063,501.31	211,412,063,501.31
State-owned capital		211,781,023,501.31	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				
Not paid-in capital		211,781,023,501.31	211,412,063,501.31	211,412,063,501.31
Other equity instruments				
Including: Preferred shares				
Perpetual bonds				
Capital reserve		8,174,651,618.73	8,173,903,918.71	5,145,780,150.10
Less: Treasury shares				
Other comprehensive income		1,522,213,495.09	3,408,711,322.35	3,408,711,322.35
Including: Foreign currency translation differences				
Special reserve				
Surplus reserve		26,635,627,022.54	25,534,693,555.56	25,526,150,632.77
Including: Statutory surplus reserve		16,058,325,697.46	14,957,392,230.48	14,948,849,307.69
Discretionary surplus reserve		10,577,301,325.08	10,577,301,325.08	10,577,301,325.08
#Reserve fund				
#Enterprise development fund				
#Return of investment				
△General risk provision				
Retained earnings		16,320,614,587.87	16,700,997,885.05	16,624,111,379.93
Total owner's equity attributable to parent company		264,434,130,225.54	265,230,370,182.98	262,116,817,186.46
* Non-controlling interests				
Total owners' equity		264,434,130,225.54	265,230,370,182.98	262,116,817,186.46
Total liabilities and owners' equity		405,415,733,146.86	393,571,534,080.18	389,499,296,751.49

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



Consolidated Income Statement
For the year ended December 31, 2018

Company Name: China Three Gorges Corporation	Unit: RMB	Year ended December 31, 2018	Year ended December 31, 2017
A. Total operating revenue		93,813,775,074.92	90,817,235,072.22
Including: Operating revenue	47	93,112,475,464.71	89,589,871,879.81
Interest income	48	825,605,463.53	784,760,150.17
Premium earned			
Gain and loss on disposal of assets	49	1,714,144.28	3,371,246.87
B. Total operating cost		62,464,274,198.17	58,477,626,891.82
Including: Operating cost	47	44,972,423,859.34	43,089,184,623.14
Interest expenses	48	33,795,079.48	35,122,240.76
Debt and administrative expenses	49	3,676,981.89	2,884,508.42
Cash transfer amount			
Net expenses of claim settlement			
Net provisions for insurance contract reserve			
Policy dividend expenses			
Reinsurance expenses			
Taxes and charges		2,878,828,479.33	2,473,649,481.72
Selling and distribution expenses	50	122,746,364.24	85,780,296.27
General and administrative expenses	51	3,847,115,246.77	3,243,476,246.73
Including: Party construction funds		34,113,651.41	4,008,112.99
Research and development expenses	52	131,794,223.87	119,646,369.60
Financial expenses	53	16,618,902,178.99	8,346,905,159.08
Including: Interest expenses		9,478,207,697.36	9,363,350,468.45
Interest income		458,902,083.16	483,443,174.94
Net gain on foreign exchange			372,740,129.33
Net loss on foreign exchange		3,475,640,261.74	
Loss on impairment of assets	54	1,129,910,212.18	844,304,822.68
Loss on impairment of assets			
Others			
Add: Other income	55	1,880,444,417.77	3,089,436,763.88
Investment income (due to be presented with "+")	56	9,472,256,799.55	8,573,940,147.88
Including: Investment income from associates and joint ventures		3,440,035,477.44	4,311,324,618.54
Gain on foreign exchange (due to be presented with "+")		17,023.87	386,743.48
Net expenses to holding gains (due to be presented with "-")			
Gain from changes in fair value (due to be presented with "+")	57	26,472,084.65	-342,910,115.75
Gain on disposal of assets (due to be presented with "+")	58	13,713,298.26	119,118.07
III. Operating profit (due to be presented with "+")		32,449,501,876.75	32,340,608,180.40
Add: Non-operating income	59	167,548,069.28	136,054,229.61
Including: Government grants		50,127,972.93	46,221,483.63
Gain from debt restructuring			
Less: Non-operating expenses	60	445,571,764.87	2,626,561,345.95
Including: Loss on debt restructuring			
IV. Profit before taxes (due to be presented with "+")		32,171,478,181.16	31,850,301,064.06
Less: Income tax expenses	61	7,180,486,871.76	7,516,143,247.88
V. Net profit (net loss to be presented with "-")		24,990,991,309.40	24,334,157,816.18
(I) Classified according to attribution of the ownership			
Attributable to owners of the parent company		24,784,678,151.13	23,782,813,674.99
Attributable to non-controlling interests		206,313,158.27	551,344,141.19
(II) Classified according to operating continuity			
Profit or loss from continuing operation		15,263,612,942.97	14,268,827,267.63
Profit or loss from termination of operation			
VI. Other comprehensive income after tax		8,736,715,160.73	262,154,092.73
Other comprehensive income attributable to owners of parent company (net of tax)	62	-4,514,546,783.92	-382,145,384.11
(1) Other comprehensive income not to be reclassified as profit or loss		-181,201,276.59	-48,222,490.49
1. Change in measurement defined benefit obligations or net assets		889,226.47	1,613,719.28
2. Portion of other comprehensive income not to be reclassified as profit or loss under equity method		-182,090,503.02	-483,840,210.77
(2) Change in fair value of investment from other equity instruments			
(1) Change in fair value of the company's credit risk			
(2) Others			
(3) Other comprehensive income to be reclassified as profit or loss		-4,333,345,507.33	-333,922,883.62
1. Portion of other comprehensive income not to be reclassified as profit or loss under equity method		-414,153,212.52	-590,898,385.44
(2) Change in fair value of other debt instruments			
1. Gain or loss from changes in fair value of available-for-sale financial assets		-1,625,563,779.45	328,340,154.54
(3) Financial assets that can be reclassified as other comprehensive income			
1. Gain or loss from reclassification held-to-maturity investments to available-for-sale financial assets			
(4) Credit impairment provision from other debt instruments			
1. Gain or loss on effective cash flow hedge		2,580,975.74	26,408,719.12
2. Translation difference of financial statements in foreign currency		-3,612,254,546.92	-493,223,083.08
3. Others			
(4) Other comprehensive income attributable to non-controlling interests (net of tax)		-2,076,124,114.90	484,347,997.04
VII. Total comprehensive income		33,728,203,541.89	32,616,462,106.84
Total comprehensive income attributable to the shareholders of the parent company		33,728,203,541.89	32,616,462,106.84
Total comprehensive income attributable to non-controlling interests			
VIII. Earnings per share			
(1) Basic earnings per share			
(2) Diluted earnings per share			

Note: Please refer to the consolidated financial statements for details.



Income Statement of the Company
For the year ended December 31, 2018

Company Name: China Three Gorges Corporation	Unit: RMB	Year ended December 31, 2018	Year ended December 31, 2017
A. Total operating revenue		457,232,503.88	140,488,754.77
Including: Operating revenue	3	457,232,503.88	140,488,754.77
Interest income			
Premium earned			
Gain and loss on disposal of assets			
B. Total operating cost		329,599,897.96	38,429,403.19
Including: Operating cost	3	329,599,897.96	38,429,403.19
Interest expenses			
Debt and administrative expenses			
Cash transfer amount			
Net expenses of claim settlement			
Net provisions for insurance contract reserve			
Policy dividend expenses			
Reinsurance expenses			
Taxes and charges		127,286,899.42	104,946,898.08
Selling and distribution expenses		293,089.28	211,629.06
General and administrative expenses		1,999,641,874.12	2,028,794,288.07
Including: Party construction funds		2,344,074.51	967,017.79
Research and development expenses		75,218,754.33	152,147,938.48
Financial expenses		5,675,144,756.10	3,764,443,758.05
Including: Interest expenses		5,593,964,648.71	4,448,072,781.24
Interest income		162,445,921.29	253,376,600.28
Net gain on foreign exchange			305,116,458.37
Net loss on foreign exchange		262,779,683.81	
Loss on impairment of assets		182,251,514.88	15,716,418.29
Loss on impairment of assets			
Others			
Add: Other income		98,481,374.14	1,440,276,872.48
Investment income (due to be presented with "+")	4	18,278,194,587.53	1,438,284,614.54
Including: Investment income from associates and joint ventures		327,666,081.89	352,761,186.41
Gain on foreign exchange (due to be presented with "+")			
Net expenses to holding gains (due to be presented with "-")			
Gain from changes in fair value (due to be presented with "+")		4,229,051.28	2,875,656.96
Gain on disposal of assets (due to be presented with "+")		13,943,494,099.81	14,108,714,268.57
III. Operating profit (due to be presented with "+")		12,943,604,009.81	14,108,714,268.57
Add: Non-operating income		12,669,031.71	3,710,473.41
Including: Government grants		11,822,094.90	
Gain from debt restructuring			
Less: Non-operating expenses		177,472,649.54	1,453,440,738.87
Including: Loss on debt restructuring			
IV. Profit before taxes (due to be presented with "+")		13,068,160,392.98	12,658,683,803.11
Less: Income tax expenses		808,154,015.76	704,663,612.54
V. Net profit (net loss to be presented with "-")		12,260,006,377.22	11,954,020,190.57
(I) Classified according to attribution of the ownership			
Attributable to shareholders of the parent company		12,089,234,609.80	11,885,440,719.71
Attributable to non-controlling interests			
(II) Classified according to operating continuity			
Profit or loss from continuing operation		12,089,234,609.80	11,885,440,719.71
Profit or loss from termination of operation			
VI. Other comprehensive income after tax		-4,886,497,827.26	-1,898,479,220.46
Other comprehensive income attributable to owners of parent company (net of tax)		-4,886,497,827.26	-1,898,479,220.46
(1) Other comprehensive income not to be reclassified as profit or loss			
1. Change in measurement defined benefit obligations or net assets			
2. Portion of other comprehensive income not to be reclassified as profit or loss under equity method			
(2) Change in fair value of investment from other equity instruments			
(1) Change in fair value of the company's credit risk			
(2) Others			
(3) Other comprehensive income to be reclassified as profit or loss		-4,886,497,827.26	-1,898,479,220.46
1. Portion of other comprehensive income not to be reclassified as profit or loss under equity method		-23,496.43	-168,288,750.47
(2) Change in fair value of other debt instruments			
1. Gain or loss from changes in fair value of available-for-sale financial assets		-4,886,474,330.83	-1,847,790,855.99
(3) Financial assets that can be reclassified as other comprehensive income			
1. Gain or loss from reclassification held-to-maturity investments to available-for-sale financial assets			
(4) Credit impairment provision from other debt instruments			
1. Gain or loss on effective cash flow hedge			
2. Translation difference of financial statements in foreign currency			
3. Others			
(4) Other comprehensive income attributable to non-controlling interests (net of tax)			
VII. Total comprehensive income		7,373,508,550.96	10,055,540,970.11
Total comprehensive income attributable to the shareholders of the parent company		7,373,508,550.96	10,055,540,970.11
Total comprehensive income attributable to non-controlling interests			
VIII. Earnings per share			
(1) Basic earnings per share			
(2) Diluted earnings per share			

Note: Please refer to the consolidated financial statements for details.



Consolidated Statement of Cash Flows
For the year ended December 31, 2018

Item	Note VIII	Year ended December 31, 2018	Year ended December 31, 2017
Company Name: China Three Gorges Corporation			
Unit: RMB			
I. Cash flows from operating activities			
Proceeds from sales of goods or rendering of services		98,938,376,821.20	94,812,405,956.02
△Net increase in deposits from customers, banks and other financial institutions		-21,833,667.68	-236,569,215.90
△Net increase in deposits from Central Bank			350,000,000.00
△Net increase in placements from other financial institutions			
△Proceeds from premiums of original insurance contract			
△Net amount of reinsurance business			
△Net increase in insurance deposits and investment			
△Net increase in disposal of financial assets at fair value through profit and loss			
△Proceeds from interests, fees and commissions		736,348,028.98	736,044,468.24
△Net increase of replacement from banks and other financial institutions			
△Net increase in repurchasing			
Refund of taxes		843,184,312.42	2,535,047,958.65
Proceeds from other operating activities		6,984,524,394.31	2,294,187,213.37
Subtotal of cash inflows from operating activities		107,510,899,889.23	100,511,136,580.38
Payments for goods and services		24,043,206,524.61	22,266,394,682.39
△Net increase in loans and advances to customers			
△Net increase in deposits with Central Bank and other financial institutions		1,879,885,150.70	240,725,749.79
△Payments for compensation under original insurance contract			
△Payments for interests, fees and commissions		56,013,040.12	29,930,180.39
△Payments for policy dividends			
Payments to and for employees		5,925,096,043.83	5,266,185,610.38
Payments of taxes		20,770,064,068.68	24,770,652,938.28
Payments for other operating activities		7,510,877,079.98	4,863,203,046.94
Subtotal of cash outflows from operating activities		60,185,141,907.92	57,417,332,208.57
Net cash flows from operating activities		47,325,757,981.31	43,093,984,371.81
II. Cash flows from investing activities:			
Proceeds from disposal of investments		284,930,512,766.63	183,791,057,188.22
Proceeds from return of investments		3,806,022,541.83	3,560,286,582.21
Proceeds from disposal of fixed assets, intangible assets and other long-term assets		40,344,738.29	38,853,949.44
Proceeds from disposal of subsidiaries and other business units		905,528,010.35	
Proceeds from other investing activities		38,554,831.41	57,086,514.72
Subtotal of cash inflows from investing activities		299,759,963,487.91	187,447,284,023.59
Payments for acquisition and construction of fixed assets, intangible assets and other long-term assets		41,429,273,079.77	29,343,354,567.22
Payments for acquisition of investments		222,440,181,435.17	212,756,484,463.75
△Net increase in pledge loans			
Net payments for acquisitions of investment in subsidiaries and other business units		512,029,364.83	340,719,175.42
Payments for other investing activities		84,485,592.79	58,204,874.11
Subtotal of cash outflows from investing activities		264,465,963,512.56	242,296,763,686.30
Net cash flows from investing activities		-64,705,999,024.65	-54,849,479,662.71
III. Cash flows from financing activities:			
Proceeds from revenues		12,834,832,953.31	7,919,337,607.66
Including: Proceeds from non-controlling interests of subsidiaries		12,485,872,953.31	7,919,337,607.66
Proceeds from borrowings		396,452,377,023.77	81,218,993,148.92
△Proceeds from bond issues			
Proceeds from other financing activities		265,800,000.00	63,973,500.00
Subtotal of cash inflows from financing activities		417,547,210,000.00	182,151,830,256.58
Repayments of borrowings		76,418,132,677.80	37,834,373,696.47
Payment for dividends, profit distribution or interest		28,654,330,982.88	31,646,128,820.46
Including: distribution of dividends, profit to non-controlling interests of subsidiaries		6,254,176,927.36	7,308,703,333.73
Payments for other financing activities		146,932,973.98	188,763,173.20
Subtotal of cash outflows from financing activities		151,211,225,734.66	89,669,265,690.13
Net cash flows from financing activities		266,335,984,265.34	92,482,564,566.45
IV. Effect of exchange rate changes on cash and cash equivalents		-133,682,994.23	-402,517,435.05
V. Net increase in cash and cash equivalents	67	6,630,653,204.83	-12,625,063,791.70
Add: Beginning balance of cash and cash equivalents		30,679,499,671.34	43,304,563,423.04
VI. Ending balance of cash and cash equivalents		37,310,152,876.17	30,679,499,671.34

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



Statement of Cash Flows of the Company
For the year ended December 31, 2018

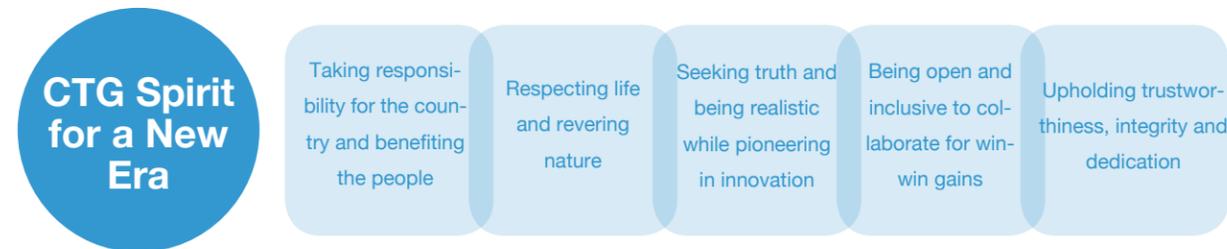
Item	Note XIII	Year ended December 31, 2018	Year ended December 31, 2017
Company Name: China Three Gorges Corporation			
Unit: RMB			
I. Cash flows from operating activities			
Proceeds from sales of goods or rendering of services		18,796,647.30	14,174,893.41
△Net increase in deposits from customers, banks and other financial institutions			
△Net increase in deposits from Central Bank			
△Net increase in placements from other financial institutions			
△Proceeds from premiums of original insurance contract			
△Net amount of reinsurance business			
△Net increase in insurance 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		1,943,730,619.02	1,625,811,859.77
Subtotal of cash inflows from operating activities		1,962,437,666.32	1,639,986,759.18
Payments for goods and services		284,056,025.31	366,873,248.21
△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		453,461,839.76	344,386,903.73
Payments of taxes		2,311,038,420.77	3,726,193,073.95
Payments for other operating activities		1,727,431,613.63	1,503,359,387.05
Subtotal of cash outflows from operating activities		4,775,937,917.47	7,940,834,839.84
Net cash flows from operating activities		-2,813,500,251.15	-6,300,848,080.66
II. Cash flows from investing activities:			
Proceeds from disposal of investments		79,748,702,660.46	40,948,442,266.96
Proceeds from return of investments		17,012,102,377.99	17,040,158,439.86
Proceeds from disposal of fixed assets, intangible assets and other long-term assets		7,458,094.30	1,100,193.99
Proceeds from disposal of subsidiaries and other business units			
Proceeds from other investing activities		9,750,789,738.68	12,567,871,948.60
Subtotal of cash inflows from investing activities		106,970,692,871.43	70,557,602,869.41
Payments for acquisition and construction of fixed assets, intangible assets and other long-term assets		205,634,690.70	300,365,992.81
Payments for acquisition of investments		91,878,072,428.85	79,272,099,312.42
△Net increase in pledge loans			
Net payments for acquisitions of investment in subsidiaries and other business units			
Payments for other investing activities			
Subtotal of cash outflows from investing activities		197,512,763,119.55	179,572,465,315.23
Net cash flows from investing activities		-90,542,070,248.12	-109,014,862,445.82
III. Cash flows from financing activities:			
Proceeds from revenues		368,960,000.00	
Including: Proceeds from non-controlling interests of subsidiaries			
Proceeds from borrowings		99,950,000,000.00	43,766,400,000.00
△Proceeds from bond issues			
Proceeds from other financing activities			
Subtotal of cash inflows from financing activities		100,318,960,000.00	43,766,400,000.00
Repayments of borrowings		45,441,626,984.00	23,357,847,200.00
Payment for dividends, profit distribution or interest		15,801,260,894.82	17,964,372,218.05
Including: distribution of dividends, profit to non-controlling interests of subsidiaries			
Payments for other financing activities		31,316,554.32	45,355,609.14
Subtotal of cash outflows from financing activities		72,559,744,433.14	41,678,575,027.19
Net cash flows from financing activities		27,759,215,566.86	2,087,824,972.81
IV. Effect of exchange rate changes on cash and cash equivalents		37,800.93	2,216,630.86
V. Net increase in cash and cash equivalents	5	10,666,618,288.46	-4,796,388,902.41
Add: Beginning balance of cash and cash equivalents		23,845,623,286.70	32,642,012,189.11
VI. Ending balance of cash and cash equivalents		34,512,241,575.16	27,845,623,286.70

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

Corporate Culture

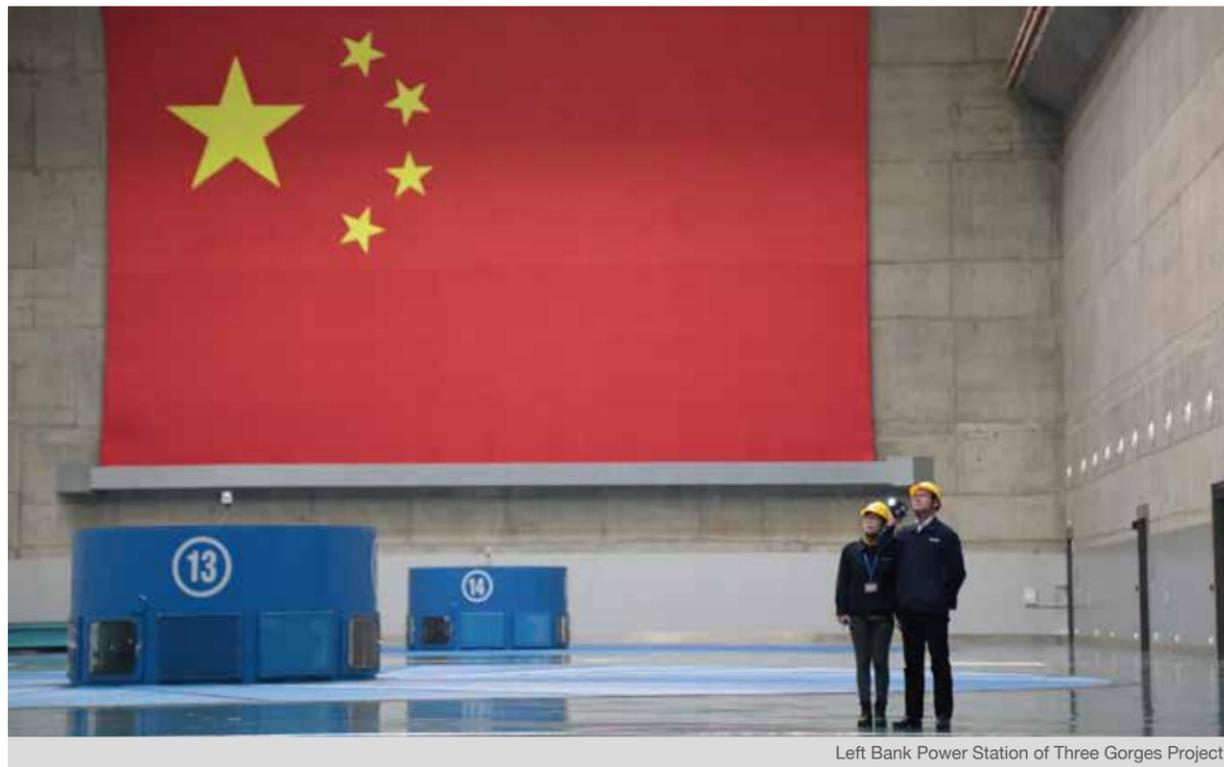
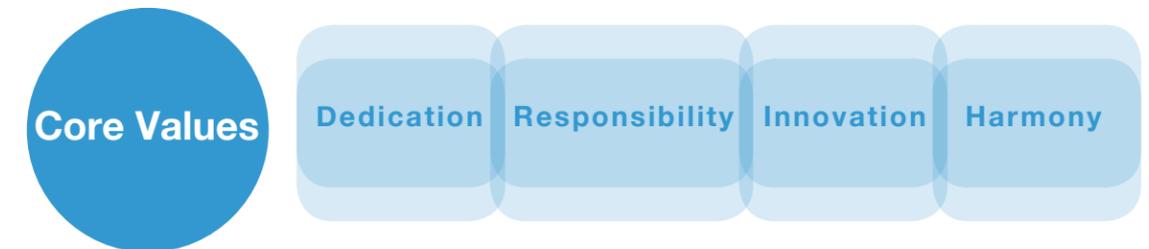
Advocating the CTG Spirit for a New Era

Guided by Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, CTG implements new development principles. Inheriting the original Three Gorges Project Spirit, CTG has shaped the CTG Spirit for a New Era, which means taking responsibility for the country and benefiting the people; respecting life and revering nature; seeking truth and being realistic while pioneering in innovation; being open and inclusive to collaborate for win-win gains; upholding trustworthiness, integrity and dedication. Such spirit shall call on more people to strive for the dream of CTG, remain true to our original aspiration and keep our mission firmly in mind, and work hard to build CTG into a world-class clean energy group with global competitiveness.



CTG promoted the core values of socialism in 2018, taking the opportunity to hold awards for the “ Most Beautiful CTGers” , giving lectures and providing learning activities themed as “ bearing in mind the mission and forging ahead.”

The Most Beautiful CTGers featured the most prominent figures representing CTG Spirit for a New Era, exemplifying innovation and craftsmanship on various fronts. As the first group of spokesmen for CTG Spirit for a New Era, they showed a passion for their work, a strong sense of responsibility, creativity, pioneering spirit and selfless dedication to the country, serving as exemplars for all CTG staff.



Left Bank Power Station of Three Gorges Project



The second Most Beautiful CTGers Awarding Ceremony and the Campaign Conference for Advocating the CTG Spirit for a New Era

Democratic Management Pooling Wisdom

In 2018, CTG improved the democratic management system, implemented a rights protection mechanism, engaged employees in corporate management through a democratic approach, as a collective intelligence can better drive the company forward. It received 84 proposals by employee representatives in 2018 and closed all cases before the deadlines with 100% satisfaction, totally ensuring an employee's right to know, express, participate and supervise.



2018 Work Conference of CTG and the 5th Session of the 2nd Staff Congress

Care for Employees and Improve Their Happiness

CTG upheld a people-oriented strategy and strived to serve its employees and corporate development, unceasingly care for employees and building a pleasant workplace. It organized rich and varied cultural and sports activities, provided health management training courses to employees, and created a positive, lively atmosphere where the company and employees develop in harmony.



Female employees perform during an activity to celebrate the International Woman's Day

Diligence Inspired by Pioneering Spirit

In 2018, CTG fully leveraged the impact of pioneers to lead employees on various levels to keep in mind their mission, be more responsible, strive forward together and transmit the power of exemplars.

In 2018, CTG incubated over 40 Employee (Work Model) Tech Innovation Labs, and made 225 innovation achievements, 60 of which were awarded by the Group, six of which were awarded by the China Electricity Council, and 10 of them were awarded by the China Energy, Chemistry and Geology Union. CTG organized a competition themed "New Thinking for Success in The thirteenth Five-Year Plan" for all employees working on hydropower projects at Jinsha River Basin. During the competition, nine leading organizations, 20 leading groups, 28 leading teams and 46 outstanding individuals were awarded.



Lean Production Management Team of Three Gorges Hydropower Plant's was awarded the "Model of Central SOE"



2018 Jinsha River Basin Hydropower Engineering Competition Awarding Ceremony



CTG was ranked second among Top 100 Chinese Green Gold Companies



CTG received double awards at 2018 Chinese Enterprise Global Image Summit

Stronger Brand Building

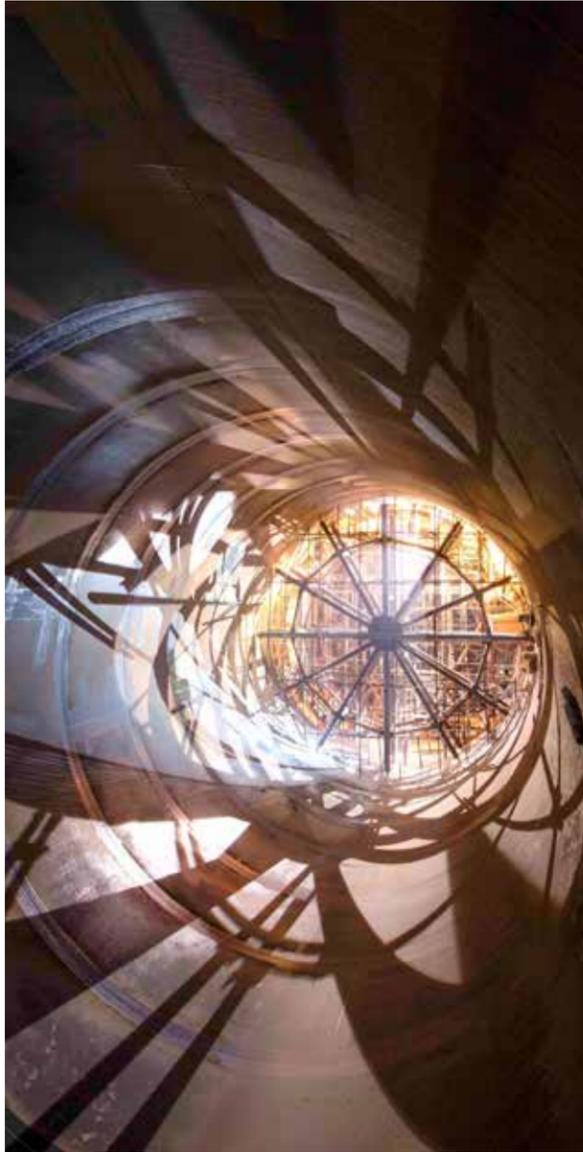
In 2018, CTG followed the fundamental strategy of a lean operation of the pillar of a great power and to meticulously build a Chinese brand. It thus focused on major national strategies, facilitated the reform and development of the Group, innovated communication concepts and expanded the modes of publicity through a comprehensive all-media model, combining newspapers, magazines, the internet, online communities, Weibo, WeChat, exhibitions, and so on. It provided the conceptual and spiritual basis and public opinion to support establishment of a world-class clean energy group with global competitiveness.

In 2018, CTG participated in the Grand Exhibition of the Great Reform in Celebration of the 40th Anniversary of Reform and Opening-Up, held Photos and Figures Exhibition of the 25th Anniversary of CTG, focusing on the anniversaries and President Xi Jinping's visit to the Three Gorges project.

CTG also planned and carried out 17 major themed communication campaigns, including the 60th release of Chinese sturgeon, the 10th anniversary of the water level reaching 175m at TGP, targeted poverty alleviation and local children's visits in reservoirs. CTG also leverage overseas communication channels to publicize TGP.



CTG was awarded Overseas Communication Excellence Awards (OCEA)



Technology and Environmental Protection

Technological Innovation

With its innovation-driven development strategy, CTG is building an innovation system to enhance technological innovation and lead the industry's technological development.

Ecological and Environmental Protection

CTG has always followed the fundamental way of prioritizing the environment and green development. As a firm believer that "lucid waters and lush mountains are invaluable assets," CTG has delivered its new missions in the new era and drove quality development of the Group.

Technological Innovation

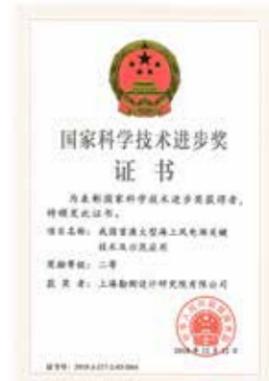
CTG has taken technological innovation, engineering quality and safe and efficient operations as the basic requirements of its projects. We have made fruitful breakthroughs in a number of core technologies in the field of hydropower engineering, offshore wind power, and so on.

Highlights

In 2018, CTG received three National Science and Technology Awards and 27 provincial and industrial prizes. We presented 995 technology innovation awards to our own employees.



The 300m super-high arch dam safety control technology and engineering application received the second-class Science and Technology Progress Award



The key technology and demonstration applications of China's first large offshore wind farm received the second-class National Award for Science and Technology



The key technology and demonstration applications for the hydraulic ship lift received the second-class National Award for Technology Invention

CTG was authorized 390 patents, including 39 for inventions, 347 for utility models, and 4 for design patents in 2018. We also obtained 65 registered software copyrights and undertook the task of compiling one new national standard and 33 industrial standards. We reviewed and issued 75 CTG standards.



Specifications for compiling wind power project post evaluation report



Maintenance rules for Francis turbines



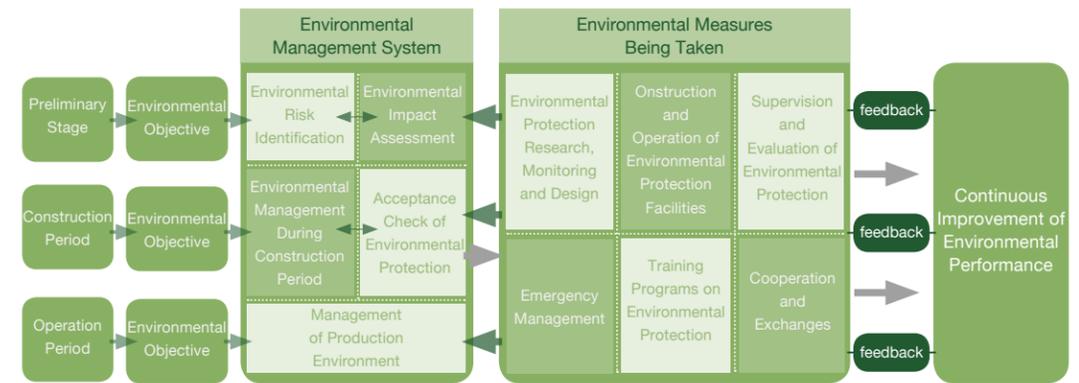
Aesthetic guidelines for electromechanical construction

CTG balances Yangtze River ecosystem protection with hydro-power development in the basin to build environmentally-friendly projects and achieve harmony between projects and nature. CTG implemented green development and holds dear the concept of a beautiful China, incorporating social responsibility into production and operation, playing the leading role of a central SOE and fulfilling social responsibility.

Ecological and Environmental Protection

Improvement of Environment Management System

As the world's largest hydropower developer and China's largest clean energy group, CTG values protection of the ecosystem and explores green development to improve the environment management system, based on concepts like a whole basin, a whole life cycle, open & sharing, and technological innovation.



Eco-Environmental Restoration

CTG made new progress in terms of ecosystem restoration and environmental protection in 2018. TGP-Xiangjiaba-Xiluodu conducted for the second time cascade united ecological dispatching. The four major species of Chinese carp laid a record 1.33 billion eggs as spotted in Yidu, Hubei Province. We compiled the overall design reports for environmental protection at Wudongde and Baihetan, and commenced construction on 15 projects of tail water at Wudongde.

The ecosystem restoration project at Heishui River commenced construction, while water and soil conservation work at Xiluodu and Xiangjiaba was accepted. The breeding of fish species unique to the Yangtze River like cyprinid fish and largemouth bronze gudgeon experienced a breakthrough. The release stations of CTG released 258,000 rare and endemic fishes in 2018, with an accumulated total of over 6.2 million fish released downstream in Jinsha River in recent years. CTG also conducted the 60th release of Chinese sturgeon, with a total of 5 million released.



The release of Chinese sturgeon at TGP in 2018



Corporate Social Responsibility

Ecological Progress

Guided by President Xi Jinping's Thoughts on Eco-Civilization, CTG takes the political responsibility of building eco-civilization as a central SOE. CTG also prioritizes environmental conservation and green development. By further increasing clean energy supply, actively improving the environmental protection industry and efficiently preventing eco-risks, CTG is comprehensively engaged in the development and protection of the Yangtze River Ecosystem covering all aspects of eco-environment protection.

Targeted Poverty Alleviation

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

Giving Back to Society

CTG loves to contribute and take tasks. We are engaged in charitable activities, initiating various campaigns and helping disadvantaged groups and people in need.

Overseas CSR

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

Eco-civilization

CTG generated 241.69 TWh clean energy in China in 2018, equivalent to reducing consumption of 77.70 million tons of standard coal, or the emission of 199.45 million tons of CO₂, thereby making a positive contribution to China's power restructuring, CO₂ emission control and improving climate environment. CTG ranked second among the Top 100 Chinese Green Gold Companies by the China Enterprises Evaluation Association in 2018. The Huainan floating photovoltaic project was included in 2018 Power Company Social Responsibility Excellent Cases.



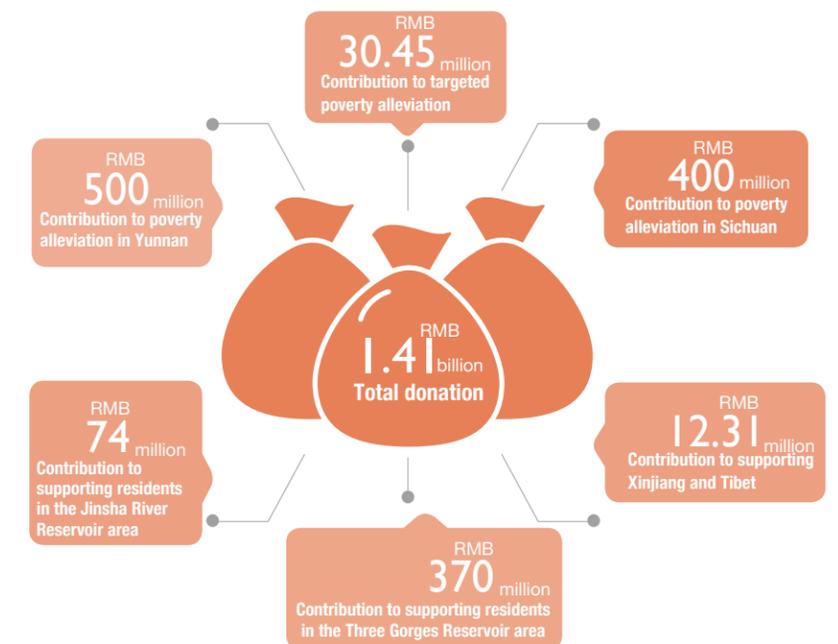
TGP Transmission and Transformation Project

Targeted Poverty Alleviation

In 2018, CTG served as an exemplar of fulfilling corporate social responsibility, shaping a well-organized poverty relief system with consolidated management and accountability from each department whilst the headquarter took the leading role. We have dedicated to reservoir area support, targeted poverty alleviation, assistance to Xinjiang, Qinghai and Tibet, and charitable donations. CTG donated RMB 1.41 billion throughout the year, of which RMB 30.45 million went to the targeted poverty alleviation fund.

CTG was actively engaged in supporting residents in TGP and Jinsha River reservoir areas, and poor ethnic minority groups in Sichuan and Yunnan. By the end of 2018, CTG provided a total of RMB 2.7 billion to reduce poverty in the two provinces. It continues to be one of the "national team" in targeted poverty alleviation.

CTG received 10th China Charity Award, the top governmental award in the field of charity, in September 2018. This was the second time for CTG to win the award since 2013, an important acknowledgment and high praise by the country and society for CTG's achievements in terms of corporate social responsibility, continuous and in-depth engagement in targeted poverty alleviation and social welfare career.



CTG once again received the China Charity Award on September 19, 2018



Wang Lin, President of CTG, investigated poverty alleviation at Dashanping village, Leibo county, Liangshan prefecture, in Sichuan Province

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 in difficulty, thereby contributing to the harmonious development of society.

CTG held a local children visiting event at TGP with the theme of “Be the Dreamer in TGP.” This involved inviting 315 primary and middle school students from 12 ethnic groups in nine supporting areas. The event received unanimous approval from the public and follow-up coverage by multiple mainstream media and online media, including People’s Daily, Xinhua News Agency, CCTV, and so on.



Scholarship awarding ceremonies for students at colleges and specialized secondary schools in Pishan county, Xinjiang



Children’s visiting at TGP

Overseas CSR

CTG continues to drive global energy partnerships as part of the Belt and Road initiative, giving equal importance to energy development and social responsibility, actively supporting public welfare and promoting development of the local economy and society. It sets a good example by making efforts to establish a community of shared interests, responsibilities and destinies that embraces openness and inclusiveness as part of the Belt and Road initiative.

2CTG Brazil signed a partnership agreement with Bio Bureau and Senai CETIQT on the *Limnoperna fortunei* management project, ushering in a new stage of research for such technology.



A *Limnoperna fortunei* management lab



The CTG-Pakistan Resettlement Scholarship Granting Ceremony

The CTG-Pakistan Resettlement Scholarship was granted in Islamabad, in September 2018. It was the first long-term scholarship program established and funded by a Chinese company targeting the area in Pakistan affected by the project.



Graduation group photo of Personnel Training Course for Souapiti Water Conservancy Project in Guinea

The CTG the Personnel Training Course for Souapiti Water Conservancy Project in Guinea ended in December 2018, making this project, “TGP in Guinea” a prime example of Sino-African cooperation and training 30 engineers for the project.

CTG History



China Three Gorges Project Corporation ("CTGPC") founded

Mission to "build Three Gorges Project and develop Yangtze River" was undertaken



Gezhouba Power Station integrated into CTGPC



Impoundment, navigation and power generation began

IPO of China Yangtze Power Co., Ltd. was completed

A phase of construction and operation in parallel commenced



Construction of Xiangjiaba Hydropower Project started



Power generation assets of TGP were listed in stock exchange market
CTGPC renamed as China Three Gorges Corporation ("CTG")



About 21.35% equity of EDP was acquired, becoming the single largest shareholder



Power plants of Xiluodu and Xiangjiaba started power generation
Shanghai Investigation, Design & Research Institute Co., Ltd (SIDRI) integrated into CTG
CTG became the largest hydropower development corporation in the world, and the largest clean energy group in China

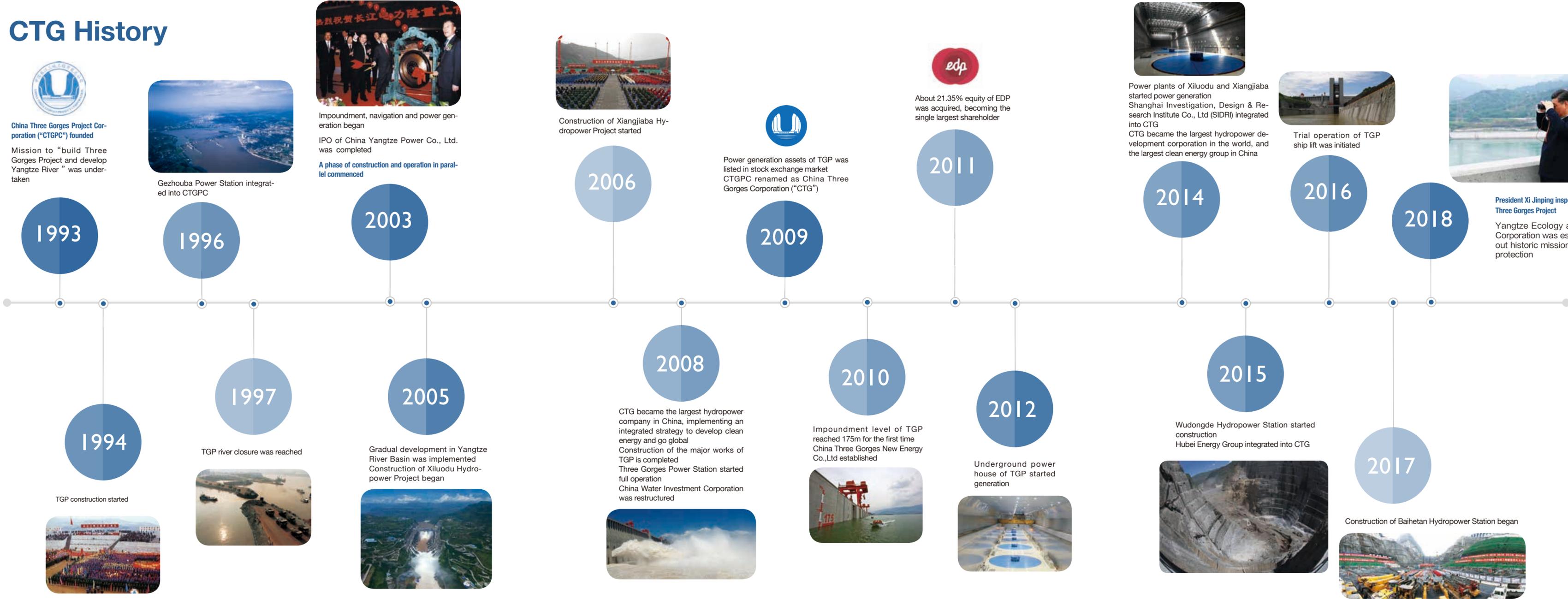


Trial operation of TGP ship lift was initiated



President Xi Jinping inspected Three Gorges Project

Yangtze Ecology and Environment Corporation was established to carry out historic mission of Yangtze river protection



1993

1996

2003

2006

2009

2011

2014

2016

2018

1994

TGP construction started



1997

TGP river closure was reached



2005

Gradual development in Yangtze River Basin was implemented
Construction of Xiluodu Hydropower Project began



2008

CTG became the largest hydropower company in China, implementing an integrated strategy to develop clean energy and go global
Construction of the major works of TGP is completed
Three Gorges Power Station started full operation
China Water Investment Corporation was restructured



2010

Impoundment level of TGP reached 175m for the first time
China Three Gorges New Energy Co., Ltd established



2012

Underground power house of TGP started generation



2015

Wudongde Hydropower Station started construction
Hubei Energy Group integrated into CTG



2017

Construction of Baihetan Hydropower Station began



Major Subsidiaries

China Three Gorges Projects Development Co., Ltd

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

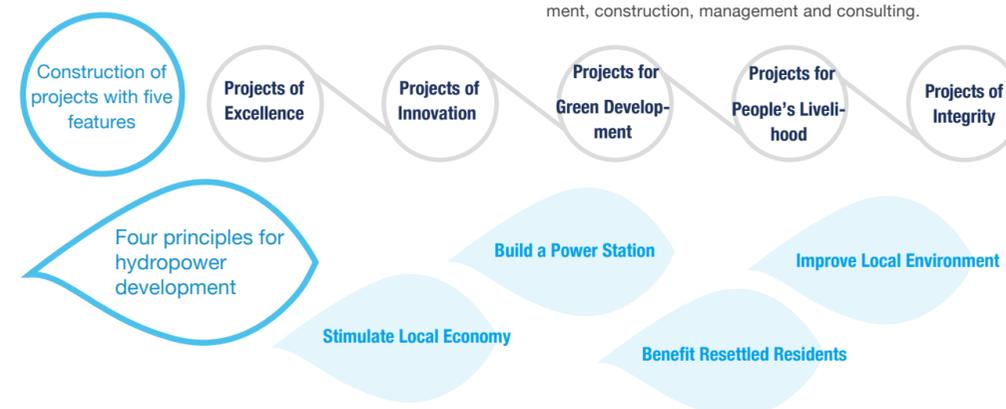
Formerly the projects construction division of CTG, it was founded in 1984 and officially became a company in July 2015 due to CTG' s integration of project development resources. The company is primarily engaged in developing and constructing mega hydropower plants. It manages projects both within and outside China. The company has completed the construction of hydropower stations with an installed capacity of 43.70 GW. Stations under construction boasts an installed capacity of 26.92 GW. Five hydropower stations – TGP, Baihetan, Xiluodu, Wudongde and Xiangjiaba – are among the 12 largest hydropower stations in the world by installed capacity.

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

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

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

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



China Yangtze Power Co., Ltd

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

CYPC is the largest listed hydropower company in China that owns all of the power generation assets of TGP, Gezhouba, Xiluodu and Xiangjiaba Hydropower Stations. The total installed capacity is 45.50 GW and annual with generation of 191.85 TWh.

By the end of 2018, the company' s total assets were RMB 295.50 billion; the asset liability ratio was 51.71%, 3.03% lower than the previous year.



China Three Gorges International Corporation

Founded on August 30, 2011, China Three Gorges International Corporation (“CTGI”) is a subsidiary wholly owned by CTG, with registered capital of RMB 29.6 billion. As of the end of 2018, the total assets reached RMB 101.6 billion, with net assets of RMB 42.1 billion, and an asset liability ratio of 58.56%.

CTGI plays an important role in supporting CTG to become the world’s leading clean energy group. It facilitates implementation of CTG’s global strategy, and is engaged in clean energy collaboration with multiple foreign partners through greenfield investment and equity acquisition. It is committed to supporting 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&As, project construction and power station management. As of the end of 2018, CTGI’s total installed capacity is 15.95 GW, of which the consolidated installed capacity is 8.35 GW, and overseas installed capacity

on a minority equity basis is 7.6 GW.

Using China Three Gorges Hongkong Investment Company Limited and China Three Gorges (Hong Kong) Co.,Ltd as overseas investment platforms, CGTI founded , CTG (Europe) S.A. (CTG Europe), China Three Gorges South Asia Investment Ltd. (CSAIL), China Three Gorges (Brasil) Energia Ltda. (CTG Brazil), Global Hydro and other subsidiaries. Through its wholly-owned subsidiaries, CTG Europe, CGTI controls 23.27% equity of EDP and is its single largest shareholder.

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

Yangtze Ecology and Environment Co., Ltd

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

It serves as a platform for CTG in its efforts to protect the Yangtze River Basin. Boosted by construction of the Yangtze River Economic Belt, YEE has launched a wide range of businesses, including planning, designing, investment, construction, operation, technology research and development, products and services, which are related to ecology, environmental protection, energy conservation and clean energy. It is also responsible for the operation of corresponding State-owned assets, in accordance with the law. Entity companies, development funds, engineering centers, industry alliances and special funds comprise the “Five Pillars” for protection of the Yangtze River.

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



China Three Gorges New Energy Co., Ltd

China Three Gorges New Energy Co., Ltd. (“CTG New Energy”) is a majority owned subsidiary of CTG. Its mission is to develop new energy as CTG’s second principal business.

CTG New Energy vigorously develops onshore wind power, photovoltaic power and offshore wind power. It manages robust, small and medium size hydro plants, explores new business including solar-thermal power, incremental distribution network, distributed gas energy, hydrogen production by wind power. It keeps close track of technology advancements in renewable energy such as tide and biomass energy.

At the same time, CTG New Energy makes investments in new industries that are closely relevant and highly complementary with new energy business to achieve synergy. It is primarily composed of wind power, solar power, with involvement in small and medium size hydro plants, and strategic investments, leading to a coordinated layout of business. As of the end of 2018, its new energy business covers 30 provinces, autonomous regions and municipalities in China.

The total installed capacity of the grid-connected wind power, photovoltaic power and small and medium size hydro plants that are under its operation exceeded 10GW. Total assets amounted to more than RMB 80 billion. When it comes to installed capacity and profitability, CTG New Energy ranks among the first echelon of domestic new energy enterprises.

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

Hubei Energy Group Co., Ltd

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

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

Hubei Energy has set up two energy bases, a hydropower base in West Hubei and a thermal power base in East Hubei. New energy projects scattered in the whole province, with the top market share therein. Hubei Energy has also developed an energy network to store and supply coal and natural gas.

It also owns equity in many public companies and financial organizations, including Changjiang Securities, Guodian Changyuan Electric Power Co., Ltd. and Changjiang Property & Casualty Insurance Co., Ltd. As of the end of 2018, the consolidated installed capacity operated by Hubei Energy reached over 7.2 GW. Its total assets were RMB 48.21 billion, with an asset liability ratio of 39.1%. Throughout the year, it generated 20.14 TWh of electricity, recording revenues of RMB 12.31 billion, with a net profit of RMB 1.91 billion.

China International Water & Electric Corporation

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

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

CWE has a strong presence in the water and hydropower businesses, and rich experience in infrastructure projects such as power transmission, roads and bridges, port dredging, etc. CWE has set foot in over 80 countries and regions across Asia, Africa, Europe and the America, and set up permanent offices in 32 countries and regions.

CWE has acquired China’s top-class qualifications for EPC of water and hydropower projects, for foreign contracting projects, for importing and exporting. It also secures AAA credit ratings, with certifications for quality, environmental, and occupational health management, boasting a contractor’s license for the highest grade of all kinds of construction work in Hong Kong. CWE has been listed as ENR Top 250 International Contractors for 28 consecutive years, and ENR Top 225 International Designing Firms for 17 years in a row.

Shanghai Investigation, Design & Research Institute Co Ltd

Founded in November 1954, Shanghai Investigation, Design & Research Institute Co., Ltd. (“SIDRI”) became affiliated to Shanghai Municipal Government from Ministry of Water Resources in July 2001. In June 2014, SIDRI was restructured into a subsidiary of CTG, with registered capital of RMB 611.65 million.

SIDRI is a large-scale Grade A Design Institute, which focuses on water conservancy, hydropower, new energy and environmental engineering. With its whole coverage in engineering services, SIDRI conducts business throughout China and in more than 20 countries and regions across the world.

SIDRI has undertaken planning, survey and designing work for more than 40 large and medium size hydropower projects, including the Xin’anjiang Project. It also undertook designing work of the comprehensive development and improvement of Yangtze estuary, that of Huangpu River, and water source place projects. It provided design services for Donghai Bridge Wind Farm in Shanghai, the first offshore wind farm in Asia. It also engaged in the planning and designing for improving the aquatic environmental conditions of Taihu Lake and restoration of the water ecosystem. SIDRI was certified as a “National Outstanding Design Institute,” “National Outstanding Water Conservancy Enterprise” and “High-Tech Enterprise of Shanghai.”

After being incorporated into CTG, SIDRI proactively implements a strategy of becoming a frontrunner in the offshore wind power sector, in addition to supporting Belt and Road Initiatives. It is committed to achieve the goal of “double first-class”.



Three Gorges Capital Holdings Co Ltd

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

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

In 2018, CTG Capital committed itself to the implementation of new development concepts, decisions and deployments directed by the central government and the company’s leading party group. It proactively adjusted its investment structure, optimized the investment layout and focused more on pillar business and key projects, as well as strategic emerging industries. It completed a new round of RMB 7.25 billion equity investment. Throughout the year, investment income reached RMB 2.3 billion, a year-on-year increase of 16.8%, while the total profit was RMB 1.74 billion and 107.5% of the annual budget target was completed, a year-on-year increase of 13.9%, fully accomplishing business performance assessment targets.

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 5 billion. It is a non-bank, financial institution specializing in financial services for CTG and associated companies.

TGFC serves as a platform for CTG to pool, settle, monitor and raise capital and provides financial services. Guided by the business principle of “giving priority to the Group, focusing on services and regulations, and embracing innovation,” TGFC carries out its mission of “safeguarding capital security, creating financial values and facilitating development of principal business.”

It is primarily responsible for managing, settling, mobilizing and monitoring capital, developing and researching of financial industries, implementing financial strategies, and maintaining a pool of talents with financial expertise for CTG. Externally, TGFC connects with the capital and fund markets; internally, it improves capital management efficiency and reduces financing costs through financial services to all member companies.

TGFC has gradually developed businesses such as digital settlement, deposit/loan, investment in securities, entrusted financing and short-term capital allocation. It plays a key role in increasing capital efficiency and cash flow within the Group, reducing the Group’s asset liability ratio and cutting financing costs. In 2018, it recorded profit of RMB 1.76 billion, with an EVA of RMB 509 million.

*Provide Clean Energy
and
Build Beautiful Communities Together*





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