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Qinghai Provincial Investment Group Co., Ltd.
(青海省投資集團有限公司)

(incorporated with limited liability in the People's Republic of China)

**ANNOUNCEMENT REGARDING US\$300,000,000 6.40 PER CENT. BONDS DUE 2021
(THE "BONDS")**

Qinghai Provincial Investment Group Co., Ltd. (the "**Issuer**") wishes to announce that on 22 February 2017, the Issuer issued US\$300,000,000 7.25 per cent. bonds due 22 February 2020 (the "**2020 Bonds**"). On 22 February 2019 (the "**Relevant Interest Payment Date**"), the Issuer was required to pay interest on the 2020 Bonds pursuant to the terms and conditions thereof. However, due to an internal administrative error, the Issuer did not make such payment of interest, which resulted in a technical event of default under the terms and conditions of the 2020 Bonds (the "**2020 Bonds Relevant Event**"). The Issuer took immediate steps to rectify the internal administrative error and on 27 February 2019, the Issuer paid the interest that had been due on the Relevant Interest Payment Date in respect of the 2020 Bonds.

Although the Issuer had within five days of its due date paid the interest that had been due on the Relevant Interest Payment Date in respect of the 2020 Bonds (the "**Subsequent Payment**"), the 2020 Bonds Relevant Event has triggered a cross-default under the Bonds (the "**Relevant Event**"). The Issuer has not received, in connection with the Relevant Event, any acceleration notice from the trustee or the holders of the Bonds. The Issuer has previously been able to meet all of its interest payment obligations under the Bonds in a timely manner.

OTHER INFORMATION

On 22 March 2018, the Issuer issued US\$250,000,000 7.875 per cent. bonds due 22 March 2021 (the "**2021 Bonds**"). The 2020 Bonds Relevant Event has, despite the Subsequent Payment by the Issuer five days after the Relevant Interest Payment Date, triggered a cross-default under the terms and conditions of the 2021 Bonds (the "**2021 Bonds Relevant Event**"). The Issuer has not received, in connection with the 2021 Bonds Relevant Event, any acceleration notice from the trustee or the holders of the 2021 Bonds. The Issuer has previously been able to meet all of its interest payment obligations under the 2021 Bonds in a timely manner.

The next interest payment due to be made by the Issuer under, collectively, the Bonds, the 2020 Bonds and the 2021 Bonds will be on 22 March 2019, which is the next interest payment date under the 2021 Bonds. As at the date of this announcement, the Issuer confirms that it has already earmarked funds in its bank account for the payment of such interest.

By Order of the Board
**QINGHAI PROVINCIAL
INVESTMENT GROUP CO., LTD.**
Mr. Cheng Guoxun
Director

5 March 2019