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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")**

Reference is made to the announcements of Qinghai Provincial Investment Group Co., Ltd. (the "Issuer") dated 5 March 2019, 16 January 2020, 21 February 2020 and 16 April 2020.

**Application for restructuring of the Issuer**

On 16 June 2020, the Issuer received a restructuring application notice (the “**Notice to Issuer**”) from certain creditors of the Issuer (the “**Relevant Creditors**”). The Notice to Issuer states that the Relevant Creditors of the Issuer have submitted an application to the Xining Intermediate People's Court (the “**Court**”) for the restructuring of the Issuer (the “**Application for the Restructuring of the Issuer**”) on the basis that (i) the Issuer is unable to repay its matured debt obligations and (ii) the Issuer lacks the ability to repay such debt obligations.

On the same date, the Issuer received notices from 16 of its subsidiaries (the “**Relevant Subsidiaries**”), informing the Issuer that they have each received a notice (the “**Notices to the Relevant Subsidiaries**”) from their respective creditors. Each of the Notices to the Relevant Subsidiaries states that an application for the restructuring of the Relevant Subsidiary (the “**Application for the Restructuring of the Relevant Subsidiary**”, together with the Application for the Restructuring of the Issuer, the “**Restructuring Applications**”) has been submitted to the Court on the basis that (i) the Relevant Subsidiary is unable to repay their matured debt obligations and (ii) the Relevant Subsidiary either lacks the ability or has insufficient assets to repay such debt obligations.

The Relevant Subsidiaries include Qinghai Sanjiang Hydropower Development Co., Ltd. (青海省三江水電開發股份有限公司), Qinghai Chengyang Hydropower Co., Ltd. (青海誠揚水電有限公司), Qinghai Hefeng Carbon Co., Ltd. (青海和峰炭素有限公司), Qinghai Xiangguang Property Co., Ltd. (青海翔光物業有限公司), Qinghai Yixing Comprehensive Management Service Co., Ltd. (青海益星綜合管理服務有限公司), Qinghai Baihe Aluminium Co., Ltd. (青海百河鋁業有限責任公司), Qinghai West Hydroelectric Co., Ltd. (青海西部水電有限公司), Qingtong International Trade (Shanghai) Co., Ltd. (青投國際貿易(上海)有限公司), Qinghai Qingtong International Trade Co., Ltd. (青海青投國際貿易有限公司), Qinghai Guoxin Aluminium Co., Ltd. (青海國鑫鋁業股份有限公司), Qinghai Pingan High Precision Aluminium Co., Ltd. (青海平安高精鋁業有限公司), Qinghai Bridge Electric Industrial Co., Ltd. (青海橋電實業有限公司), Qinghai Bridgehead Power Generation

Co., Ltd. (青海橋頭發電有限責任公司), Qinghai Bridgehead Aluminium Co., Ltd. (青海橋頭鋁電股份有限公司), Qinghai Yihe Maintenance and Installation Co., Ltd. (青海益和檢修安裝有限公司) and Qinghai Ningbei Electric Co., Ltd. (青海寧北發電有限責任公司).

### **Significant uncertainties relating to the restructuring of the Issuer**

As of the date of this announcement, neither the Issuer nor the Relevant Subsidiaries have received an order from the Court with respect to the Restructuring Applications. There are significant uncertainties as to whether the Court will accept the Restructuring Applications and whether the Issuer and the Relevant Subsidiaries will be required to undergo a restructuring process. The Issuer will continue to actively manage its daily operations (and if the Restructuring Applications are accepted by the Court, such activities will be managed under the supervision of a bankruptcy administrator designated by the Court (the “**Administrator**”)), exercise its rights as a shareholder of the Relevant Subsidiaries in accordance with the law and assist and guide the Relevant Subsidiaries in their daily operations and management.

### **Impact of the Restructuring Applications on the Issuer and creditors**

According to the relevant provisions of the Enterprise Bankruptcy Law of the People's Republic of China (中華人民共和國企業破產法), if the Court accepts the Restructuring Applications, the Court will designate an Administrator and the creditors shall submit their claims to the Administrator in accordance with the law. Thereafter, either the Administrator or the Issuer shall draft a restructuring plan (the “**Restructuring Plan**”) within the prescribed time limit and submit it to a meeting of the creditors for consideration and approval. The creditors will then be paid in accordance with the Restructuring Plan as approved by the Court.

If the Administrator or the Issuer fails to submit the Restructuring Plan within the prescribed time limit, or if the Restructuring Plan does not receive Court approval, or if the Issuer or the Relevant Subsidiaries cannot or does not execute the Restructuring Plan, the Court will order for a termination of the Restructuring Plan and declare the Issuer to be bankrupt.

In the event the Court accepts an Application for the Restructuring of the Relevant Subsidiary, the Relevant Subsidiary will then enter a restructuring process, which may affect the Issuer’s long-term equity investment, accounts receivable and other receivables.

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

18 June 2020