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青海省投資集團有限公司
QINGHAI PROVINCIAL INVESTMENT GROUP CO., LTD

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*)

GUOZHEN INTERNATIONAL TRADE CONSULTING CO., LIMITED
(國臻國際貿易諮詢有限公司)
(*incorporated with limited liability in Hong Kong*)

ANNOUNCEMENT TO BONDHOLDERS OF QINGHAI PROVINCIAL INVESTMENT GROUP CO., LTD.

IN RESPECT OF:

US$300,000,000 7.25 per cent. bonds due 2020
(Stock Code: 5380) (ISIN: XS1552613660)
(the "2020 Bonds")

US$250,000,000 7.875 per cent. bonds due 2021
(Stock Code: 4450) (ISIN: XS1793297513)
(the "2021 Bonds")

Qinghai Provincial Investment Group Co., Ltd. ("**QPIGCL**") as the issuer of the 2020 Bonds, the 2021 Bonds and the US$300,000,000 6.40 per cent. bonds due 2021 (ISIN: XS1613685475) which are listed on Singapore Exchange Securities Trading Limited (the "**SGX-listed Bonds**", together with the 2020 Bonds and the 2021 Bonds, the "**Bonds**"), hereby notifies holders of the Bonds that Guozhen International Trade Consulting Co., Limited (the "**Offeror**") has announced today an invitation to Eligible Holders (as defined in the tender offer memorandum dated 5 February 2020 distributed by or on behalf of the Offeror (the "**Tender Offer Memorandum**")) of the Bonds to offer to tender one or more series of the Bonds for purchase by the Offeror for cash (each an "**Offer**" and together the "**Offers**") upon the terms, subject to the conditions and in the manner set out in the Tender Offer Memorandum. Capitalised terms used but not defined herein shall have the respective meanings given to them in the Tender Offer Memorandum.

QPIGCL is aware of, and has no objections to, the Offeror making the invitations to the Offers described in the Tender Offer Memorandum. However, QPIGCL has had no involvement in determining the terms and conditions of the Offers and will not be responsible for conducting the Offers. The Offeror is conducting the Offers to manage QPIGCL's offshore debt.

The full terms and conditions of the Offers carried out by the Offeror are set out in the Tender Offer Memorandum. All documentation relating to the Offers carried out by the Offeror and any updates thereto will be made available by the Offeror on the Offers website at https://sites.dfkingltd.com/qpig, access to which is subject to certain offer and distribution restrictions.

The information below summarises only certain terms of the Offers carried out by the Offeror, as stated in the Tender Offer Memorandum, and is qualified by and is not a substitute for careful review by Eligible Holders and their advisers of the Tender Offer Memorandum.

Bonds	**ISIN**	**Tender Offer Price**(1)
2020 Bonds(2)	XS1552613660	US$411.90 per U.S.1,000 in principal amount
2021 Bonds	XS1793297513	US$367.50 per U.S.1,000 in principal amount
SGX-listed Bonds	XS1613685475	US$367.50 per U.S.1,000 in principal amount

(1) The aggregate Tender Offer Price to be received by an Eligible Holder in respect of its Bonds purchased pursuant to the Offers will be rounded to the nearest cent, with U.S.$0.005 to be taken as a full cent.

(2) The 2020 Bonds mature on 22 February 2020 (the "**2020 Bonds Maturity Date**"), while the Settlement Date of the Offers is expected to be on or around 24 February 2020. In the event that QPIGCL does not redeem the 2020 Bonds in full on the 2020 Bonds Maturity Date, Eligible Holders of the 2020 Bonds purchased pursuant to the Offers will receive the Tender Offer Price as set out above. In the event that QPIGCL redeems the 2020 Bonds in full on the 2020 Bonds Maturity Date, the Offer in relation to the 2020 Bonds will terminate.

The Offeror proposes to accept any and all Bonds tendered for purchase pursuant to the Offers in accordance with and on the terms described in the Tender Offer Memorandum.

To participate in the Offers, an Eligible Holder of a series of Bonds must validly tender for purchase an aggregate principal amount of such Bonds equal to U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.

In relation to the Holders who do not participate in the Offers, QPIGCL will continue to be bound by the terms and conditions of the relevant series of Bonds.

INDICATIVE TIMETABLE

The following table summarises the key dates for the Offers. This is an indicative timetable and is subject to change. This summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing in the Tender Offer Memorandum.

Events	**Times and Dates**
Announcement and Commencement of the Offers	
The Offers announced. Notice of the Offers submitted to the Clearing Systems and uploaded to the Offer Website. The Tender Offer Memorandum is made available on the Offer Website (subject to the distribution restrictions set out in the section "Offer and Distribution Restrictions" in the Tender Offer Memorandum) and from the Information and Tender Agent (as defined below) upon request.	5 February 2020
Expiration Deadline	
Final deadline for receipt of valid Tender Instructions by the Information and Tender Agent in order for Eligible Holders to be able to participate in the Offers.	4.00 p.m. (London time) on 17 February 2020
End of Tender Period, subject to the right of the Offeror to extend, re-open, amend and/or terminate the Offers in respect of any or all series of the Bonds or not at all.	
Announcement of Results of the Offers	
Announcement of whether the Offeror will accept valid offers to tender Bonds for purchase by the Offeror pursuant to the Offers, and if so, details of the aggregate principal amount of each series of the Bonds accepted for purchase.	As soon as reasonably practicable following the Expiration Deadline, and expected to be on or around 18 February 2020
Maturity of 2020 Bonds	
The 2020 Bonds mature on 22 February 2020, being the 2020 Bonds Maturity Date, while the Settlement Date of the Offers is expected to be on or around 24 February 2020. In the event that QPIGCL does not redeem the 2020 Bonds in full on the 2020 Bonds Maturity Date, Eligible	22 February 2020

Holders of the 2020 Bonds purchased pursuant to the Offers will receive the Tender Offer Price as set out above. In the event that QPIGCL redeems the 2020 Bonds in full on the 2020 Bonds Maturity Date, the Offer in relation to the 2020 Bonds will terminate.	
Settlement Date	
Expected settlement date for the Offers, including delivery of the Tender Offer Price.	Expected to be on or around 24 February 2020

The Tender Offer Memorandum also sets out the following supplemental information.

The Offers will expire at 4:00 p.m. (London time) on 17 February 2020, unless extended, re-opened or terminated as provided in the Tender Offer Memorandum. The deadlines set by any intermediary or clearing system may be earlier than the Expiration Deadline. Tender Instructions are irrevocable once submitted except in the limited circumstances described in the Tender Offer Memorandum.

Holders are advised to check with any bank, securities broker or other intermediary through which they hold Bonds whether such intermediary needs to receive instructions from a Holder before the deadlines set out above in order for that Holder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Offers. The deadlines set by any such intermediary and each Clearing System for the submission of Tender Instructions will be earlier than the deadlines specified in the Tender Offer Memorandum.

Each Offer in relation to each series of the Bonds is an independent transaction and not contingent upon the occurrence or consummation of an Offer in relation to any other series of the Bonds. The Offeror may, at its own discretion, apply different timetables (including but not limited to different deadlines and settlement dates) to an Offer in relation to each series of the Bonds.

The Offeror may, in its sole discretion, extend, re-open, amend, waive any condition of or terminate the Offers at any time in respect of any or all series of the Bonds or not at all (subject to applicable law and as provided in the Tender Offer Memorandum).

Eligible Holders are advised to read carefully the Tender Offer Memorandum for the full details of, and information on the procedures for participating in, the Offers. Any questions or requests for information in connection with the Tender Offer Memorandum should be directed to China International Capital Corporation Hong Kong Securities Limited as sole dealer manager in respect of the Offers, or to D.F. King Ltd. as information and tender agent (the "Information and Tender Agent") in respect of the Offers carried out by the Offeror using the contact details set out in the Tender Offer Memorandum.

DEFAULT IN THE BONDS

Reference is made to the announcements of QPIGCL dated 28 February 2019, 5 March 2019, 4 September 2019 and 16 January 2020. Up to the date of this announcement, no trustee of any series of Bonds has given notice to QPIGCL in respect of any series of Bonds to declare that such Bonds are, in accordance with the terms and conditions of such Bonds, immediately due and payable at their principal amount with accrued interest.

CONTINUED SUSPENSION OF TRADING

At the request of QPIGCL, trading in the 2020 Bonds and the 2021 Bonds on The Stock Exchange of Hong Kong Limited has been suspended since 9 a.m. on 4 September 2019 and will remain suspended until further notice.

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

By Order of the Board
GUOZHEN INTERNATIONAL TRADE CONSULTING CO., LIMITED
(國臻國際貿易諮詢有限公司)
Mr. Hu Shengjun
Sole Director

Hong Kong, 5 February 2020

As at the date of this announcement, the directors of QPIGCL are Mr. Cheng Guoxun, Mr. Guo Hairong, Mr. Zhou Gan, Mr. Xiao Haisheng, Mr. Li Xinlou, Mr. Kang Yanyong and Mr. Zhao Shengmao.

As at the date of this announcement, the sole director of the Offeror is Mr. Hu Shengjun.