Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.

*This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state of the United States or any other jurisdiction, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. This announcement and the information contained herein are not for distribution, directly or indirectly, in or into the United States. No public offer of the securities referred to herein is being or will be made in the United States.*

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)

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

INSIDE INFORMATION ANNOUNCEMENT

INSIDE INFORMATION

Reference is made to the announcements of Qinghai Provincial Investment Group Co., Ltd. (the "**Issuer**") dated 28 February 2019, 5 March 2019, 4 September 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), Qingtou International Trade (Shanghai) Co., Ltd. (青投國際貿易（上海）有限公司), Qinghai Qingtou 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.

CONTINUED SUSPENSION OF TRADING

At the request of the Issuer, trading in 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

Hong Kong, 18 June 2020

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