

IMPORTANT ANNOUNCEMENT TO THE BONDHOLDERS OF THE

**US\$400,000,000 6.125% Bonds due 2019 issued by
China Energy Reserve and Chemicals Group International Company Limited (the
"Issuer") with the benefit of a keepwell deed and a deed of equity interest purchase and
investment undertaking provided by China Energy Reserve and Chemicals Group
Company Limited (中國國儲能源化工集團股份公司) (the "Keepwell Provider")
(ISIN: XS1328315723 Common Code: 132831572)
(the "Bonds")**

1. DEFINITIONS AND INTRODUCTION

- 1.1 This announcement is made by the Issuer and the Keepwell Provider.
- 1.2 In this announcement, "**Bondholders**" means the holders of the Bonds.
- 1.3 In this announcement, "**CERCG Overseas**" means China Energy Reserve and Chemicals Group Overseas Company Limited.

2. UPDATE ON ENFORCEMENT ACTION IN RELATION TO 2022 BONDS

- 2.1 Reference is made to the announcement dated 4 February 2019 informing Bondholders of a demand and acceleration notice received from Bank of Communications Trustee Limited (the "**Trustee**") declaring the HK\$2,000,000,000 6.30% Guaranteed Bonds due 2022 issued by CERCG Overseas (the "**2022 Bonds**") to be immediately due and payable at their principal amount together with accrued interest (the "**2022 Bonds Acceleration Notice**") and the announcement dated 3 February 2020 informing Bondholders that the Trustee commenced legal proceedings in the Court of First Instance of the High Court of Hong Kong Special Administrative Region against CERCG Overseas and the Keepwell Provider in respect of the 2022 Bonds (the "**2022 Bonds Proceedings**").
- 2.2 CERCG Overseas and the Keepwell Provider have taken out a summons to apply for an extension of time for CERCG Overseas and the Keepwell Provider to file and serve a defence in relation to the 2022 Bonds Proceedings.
- 2.3 The 2022 Bonds Proceedings are ongoing and CERCG Overseas and the Keepwell Provider are taking legal advice in relation to the 2022 Bonds Proceedings.

3. PUBLICATION OF REVISED UPDATED RESTRUCTURING PROPOSAL

- 3.1 Reference is made to the announcements dated 8 November 2019, 12 December 2019, 27 December 2019, 8 January 2020 and 3 February 2020 informing Bondholders about the publication of the updated restructuring proposal (the "**Updated Restructuring Proposal**") further to the proposal originally released by the Keepwell Provider on 17 August 2018. The Keepwell Provider further informs Bondholders that a revised Updated Restructuring Proposal ("**Revised Updated Restructuring Proposal**") has now been prepared and is available for Bondholders to review.
- 3.2 Bondholders who have previously identified themselves to D.F. King Limited (the "**Identification Agent**") and have provided proof of holdings may access the Revised Updated Restructuring Proposal at the information website (<https://sites.dfkingltd.com/cercgdocs/Home/>) and using the login details previously provided to them by the Identification Agent. Bondholders who have not identified themselves to the Identification Agent are asked to do so together with their proof of holdings to the Identification Agent using the contact details below.

- 3.3 Parties who have not completed the bondholder identification process or otherwise satisfied any requirements under the documentation for the relevant Bonds for access thereto will not be able to access the Revised Updated Restructuring Proposal or other information in relation to the ongoing restructuring.

Identification Agent

In Hong Kong
+852 3953 7231

Email: cercg@dfkingltd.com

In London
+44 20 7920 9700

- 3.4 The Issuer and the Keepwell Provider remain committed to taking a collaborative and constructive approach with all Bondholders to facilitate a consensual restructuring of their debt.
- 3.5 Bondholders are invited to submit feedback on the Revised Updated Restructuring Proposal to our financial advisor, FTI Consulting at: cercg@fticonsulting.com, or our legal advisor, Ashurst at: cercg@ashurst.com.

4. CONTINUED SUSPENSION OF COUPON AND PRINCIPAL PAYMENTS

The Issuer and the Keepwell Provider confirm that all interest and principal payments on the outstanding Bonds continue to be suspended pending further notice.

By Order of the Boards of

China Energy Reserve and Chemicals Group International Company Limited
China Energy Reserve and Chemicals Group Company Limited

25 March 2020

THIS ANNOUNCEMENT IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF BONDHOLDERS. IF BONDHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD SEEK THEIR OWN FINANCIAL AND LEGAL ADVICE, INCLUDING AS TO ANY TAX CONSEQUENCES, IMMEDIATELY FROM THEIR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL OR LEGAL ADVISOR.

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