

**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" or the
"Company")
(ISIN: XS1328315723 Common Code: 132831572)
(the "Bonds")**

1. DEFINITIONS AND INTRODUCTION

Capitalised terms used but not otherwise defined herein shall have the meanings ascribed to them in the previous announcements issued by the Issuer and the Company.

2. UPDATE ON LEGAL PROCEEDINGS IN RELATION TO 2022 BONDS – JOINDER APPLICATION BY CHINA LIFE

2.1 On 2 June 2021, China Life Trustees Limited ("**China Life**") took out a summons for, among other things, a court order that (a) China Life be substituted as the plaintiff in the ongoing legal proceedings regarding the 2022 Bonds, and (b) the Trustee be joined as the 3rd defendant in those proceedings (the "**Joinder Application**"). The Trustee has expressed certain reservations in relation to the Joinder Application, including but not limited to requiring being joined as an interested party as opposed to the 3rd defendant, and the Trustee continues to reserve its rights in relation to the Joinder Application. CERCG Overseas and the Company are seeking legal advice in this regard and continue to reserve their respective rights to respond to or challenge any actions that China Life and the Trustee may take in relation to the Joinder Application.

2.2 At the hearing in relation to the 2022 Bonds Garnishee Application on 3 June 2021, the court made an order that the 2022 Bonds Garnishee Application, the Setting Aside Application and the Joinder Application be heard together or one after another, subject to the direction of the Judge hearing the applications.

3. HEARING DATES IN RELATION TO THE 2022 BONDS GARNISHEE APPLICATION, THE SETTING ASIDE APPLICATION AND THE JOINDER APPLICATION

3.1 The Issuer and the Company would like to inform Bondholders that:

- (a) a 1-hour call-over hearing of the 2022 Bonds Garnishee Application, the Setting Aside Application and the Joinder Application is fixed for 22 November 2021 (the "**Call-over Hearing**"); and
- (b) the substantive hearing of the 2022 Bonds Garnishee Application, the Setting Aside Application and the Joinder Application is fixed for 4 January 2022, with 1 day reserved (the "**Substantive Hearing**").

3.2 The Call-over Hearing and the Substantive Hearing of the 2022 Bonds Garnishee Application, the Setting Aside Application and the Joinder Application are open to the public. Any Bondholder who wishes to express a view on the 2022 Bonds Garnishee Application, the Setting Aside Application and the Joinder Application should seek independent legal advice.

4. UPDATE ON RESTRUCTURING PLAN

4.1 Reference is made to the announcements issued by the Issuer and the Company on 14 April 2021, 21 April 2021 and 2 June 2021, which stated in paragraph 4 that, the Group expects to present a further revised restructuring proposal on or around 30 June 2021.

- 4.2 The Company would like to inform the Bondholders that due to the ongoing discussions between the Company and an asset management company (which is an independent third party), the Company expects to present the further revised restructuring proposal on or around 30 July 2021.

5. **CONTINUED SUSPENSION OF COUPON AND PRINCIPAL PAYMENTS**

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

6. **TRUSTEE DISCLAIMER**

The Trustee takes no responsibility for the contents of this announcement.

By Order of the Boards of

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

5 July 2021

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