

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. 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**").
- 2.2 On 24 January 2020, 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**").
- 2.3 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. DELAY IN PUBLICATION OF FINAL TERMS AND CONDITIONS OF RESTRUCTURING PLAN

- 3.1 Reference is made to the announcements dated 8 November 2019, 12 December 2019, 27 December 2019 and 8 January 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.
- 3.2 In light of the ongoing matters discussed in the announcement dated 27 December 2019 and this announcement, and the wide range of feedback received from Bondholders, the Issuer and the Keepwell Provider will need to make further changes to the Updated Restructuring Proposal. The Issuer and the Keepwell Provider will update Bondholders once there is any further update to the Updated Restructuring Proposal.
- 3.3 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.

4. CONTINUED SUSPENSION OF COUPON AND PRINCIPAL PAYMENTS

- 4.1 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

3 February 2020

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