

IMPORTANT ANNOUNCEMENT TO THE BONDHOLDERS OF THE

**US\$265,000,000 6.250% Guaranteed Bonds due 2019 issued by
China Energy Reserve and Chemicals Group International Holding Limited (the "Issuer")
and unconditionally and irrevocably guaranteed by
China Energy Reserve and Chemicals Group Company Limited (中國國儲能源化工集團股份公司)
(the "Guarantor")
(ISIN: XS1524892939 Common Code: 152489293)
(the "Bonds")**

1. DEFINITIONS AND INTRODUCTION

- 1.1 This announcement is made by the Issuer and the Guarantor.
- 1.2 In this announcement, "**Bondholders**" means the holders of the Bonds.
- 1.3 In this announcement, the "**Group**" means the Guarantor and its consolidated subsidiaries, taken as a whole.

2. ANNUAL AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

- 2.1 Further to the announcement dated 31 May 2019 informing Bondholders on the expected timing of the publication of the Group's audited annual consolidated financial statements for the year ended 31 December 2018 (the "**Group Financial Statements**"), it has come to the Guarantor's attention that a media outlet has obtained a draft of the Group Financial Statements (the "**Draft Statements**").
- 2.2 The Draft Statements were disclosed without authorisation and the audit is still in progress. The Company will update Bondholders when that process is completed and the final audited Group Financial Statements will be released to Bondholders in due course.
- 2.3 The auditors of the Guarantor are in the process of finalising their audit of the Group Financial Statements. The Issuer and the Guarantor will update Bondholders once the audited Group Financial Statements are made available.

3. NEXT STEPS

- 3.1 The Guarantor has instructed FTI Consulting to update the restructuring proposal based on the audited Group Financial Statements and will revert with an updated restructuring proposal in due course.
- 3.2 The Guarantor will further engage with Bondholders once the audited Group Financial Statements are available in order to discuss an updated restructuring proposal.
- 3.3 The Issuer and the Guarantor remain committed to taking a collaborative and constructive approach with all Bondholders to facilitate a consensual restructuring of their debt.
- 3.4 Should Bondholders require any further information, please contact our advisors using the contact details below:

Company's advisors

Ashurst

FTI Consulting Inc.

Email: cercg@ashurst.com

Email: cercg@fticonsulting.com

By Order of the Boards of

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

12 July 2019

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