

## 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, the "**Group**" means the Keepwell Provider and its consolidated subsidiaries, taken as a whole.

### 2. **UPDATE ON ENFORCEMENT ACTION IN RELATION TO 2021 BONDS**

- 2.1 Reference is made to (i) the announcement dated 31 May 2019 from the Issuer and the Keepwell Provider informing Bondholders of a demand and acceleration notice received from Bank of Communications Trustee Limited (the "**Trustee**") declaring the US\$400,000,000 5.55% guaranteed bonds due 2021 (the "**2021 Bonds**") to be immediately due and payable at their principal amount together with accrued interest (the "**Acceleration Notice**"); (ii) the notices dated 14 October 2019 and 5 December 2019 from the Trustee to Bondholders in relation to legal proceedings (the "**Proceedings**") the Trustee has instituted in the Fourth Intermediate People's Court of Beijing (the "**Beijing Court**") against the Keepwell Provider to enforce the deed of guarantee in relation to the 2021 Bonds (the "**Deed of Guarantee**"); and (iii) the announcement dated 8 November 2019 from the Issuer and the Keepwell Provider in relation to the Proceedings.
- 2.2 The Beijing Court has granted an asset preservation order against the Keepwell Provider (the "**Asset Preservation Order**") as an interim measure pending the ongoing Proceedings, but the decision of the Beijing Court as to whether it has jurisdiction in respect of the enforcement of the Deed of Guarantee remains pending. If the Beijing Court makes a finding that it does not have jurisdiction in respect of enforcement of the Deed of Guarantee, the Keepwell Provider will make an application for the Asset Preservation Order to be extinguished.
- 2.3 The Keepwell Provider is continuing to rigorously defend its legal position whilst the Proceedings remain ongoing.

### 3. **DELAY IN PUBLICATION OF FINAL TERMS AND CONDITIONS OF RESTRUCTURING PLAN**

- 3.1 Reference is made to the announcement dated 8 November 2019 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 Since the publication of the Updated Restructuring Proposal on 8 November 2019, the Issuer and the Keepwell Provider, together with their advisors, have been soliciting feedback from Bondholders on the Updated Restructuring Proposal.

- 3.3 The Updated Restructuring Proposal included an estimated proposed timetable which envisaged circulating of the final terms and conditions of the restructuring plan (the "**Final Restructuring Plan**") by 29 November 2019. As it has taken longer to engage and gather feedback from Bondholders than expected and the Issuer and the Keepwell Provider still need time to discuss the Final Restructuring Plan with the Bondholders, there will be delays expected in the publication of the Final Restructuring Plan, most likely till the end of December 2019. The Issuer and the Keepwell Provider will update Bondholders once the Final Restructuring Plan is made available.
- 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.
4. **COUPON PAYMENTS**
- 4.1 The Issuer and the Keepwell Provider propose that all interest 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**

12 December 2019

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