

**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

- 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 LEGAL PROCEEDINGS IN RELATION TO 2022 BONDS

- 2.1 Reference is made to (i) the announcement dated 13 February 2019 informing Bondholders of a demand and acceleration notice received from 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, (ii) 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 the Hong Kong Special Administrative Region against CERCG Overseas and the Keepwell Provider in respect of the 2022 Bonds (the "**2022 Bonds Proceedings**"), (iii) the announcement dated 25 March 2020 informing Bondholders that CERCG Overseas and the Keepwell Provider took 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, (iv) the announcement dated 9 April 2020 informing Bondholders that the 2022 Bonds Proceedings had been delayed due to partial closure of the Hong Kong courts, (v) the announcement dated 2 September 2020 informing Bondholders that the Trustee has issued a summary judgment application in relation to the 2022 Bonds Proceedings (the "**Summary Judgment Application**"), that a call-over hearing for the Summary Judgment Application was held on 15 June 2020 and that the substantive hearing of the Summary Judgment Application was fixed for 6 October 2020, (vi) the announcement dated 14 October 2020 informing Bondholders that the substantive hearing of the Summary Judgment Application commenced on 6 October 2020 and was adjourned part-heard to 14 October 2020 and 20 October 2020, (vii) the announcement dated 4 November 2020 informing Bondholders that the Court ruled in favour of the Trustee in relation to the Summary Judgment Application (the "**Summary Judgment Ruling**") on 29 October 2020, and subsequently the Keepwell Provider and CERCG Overseas issued a summons for a stay of execution of the Summary Judgment Ruling pending the final determination of the Summary Judgment Appeal (the "**Stay of Execution Application**") on the same date as well as filed a Notice of Appeal to appeal against the Summary Judgment Ruling (the "**Summary Judgment Appeal**") on 30 October 2020, and (viii) the announcement dated 31 December 2020 informing Bondholders that the Court ruled in favour of the Trustee and dismissed the Stay of Execution Application on 21 December 2020, but granted an interim stay of execution of the Summary Judgment Ruling for 21 days until 11 January 2021 to allow the Keepwell Provider and CERCG Overseas to renew their Stay of Execution Application before a Judge in Chambers.

- 2.2 On 30 December 2020, the Keepwell Provider and CERCG Overseas renewed their Stay of Execution Application before a Judge in Chambers (the "**Renewed Stay of Execution Application**").

3. **MAREVA INJUNCTION**

- 3.1 On 23 February 2021, the Trustee issued a Mareva injunction application (the "**Mareva Injunction Application**") seeking to restrain CERCG Overseas from disposing of, dealing with, or diminishing its assets up to the value of HK\$2 billion until 14 days after the determination of the Renewed Stay of Execution Application.

- 3.2 The hearing of the Mareva Injunction Application will be held at 10.00 a.m. on 26 February 2021 in the High Court of Hong Kong SAR. CERCG Overseas intends to contest the Mareva Injunction Application.

- 3.3 The 2022 Bonds Proceedings are ongoing and CERCG Overseas and the Keepwell Provider are taking legal advice in relation to the 2022 Bonds Proceedings.

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.

5. **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

25 February 2021

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