

Huachen Energy Co., Ltd. 华晨电力股份公司 (the “Company”)

**6.625% senior notes due 2020 issued by the Company (ISIN: XS1593171967)
(the “Notes”)**

Entry of Chapter 15 Recognition Order

We refer to our previous notice dated January 4, 2022 in relation to the Administrator’s filing of a petition seeking recognition of the Company’s PRC reorganization proceedings and other relief pursuant to Chapter 15 of the United States Bankruptcy Code (the “**Petition**”).

On February 1, 2022, the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”) held a hearing in respect of the Petition, in the Chapter 15 case of *In re Huachen Energy Co., Ltd.*, Case No. 22-10005 (LGB).

We are pleased to inform holders of the Notes that the Bankruptcy Court has entered the *Order Recognizing Foreign Proceeding and Granting Related Relief* [Docket No. 19] (the “**Recognition Order**”) on February 2, 2022. As a result, the reorganization plan in respect of the Company (the “**Plan**”) (including the releases set out in the Plan), as well as the order of the No. 1 Intermediate People’s Court of Beijing approving the Plan, are now recognized and given full force and effect in the United States and are binding and fully enforceable in accordance with their terms.

A copy of the Recognition Order is at **Appendix 1** to this notice.

The Company will now proceed to complete the remaining steps for implementing the restructuring of the Notes and will publish a further notice confirming the Restructuring Effective Date (as defined in the Consent Solicitation Memorandum dated December 6, 2021) once that has occurred.

Administrator of Huachen Energy Co., Ltd

华晨电力股份公司管理人

February 3, 2022

Appendix 1
Recognition Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

Huachen Energy Co., Ltd.,¹

Debtor in a Foreign Proceeding.

Chapter 15

Case No. 22-10005 (LGB)

**ORDER RECOGNIZING
FOREIGN PROCEEDING AND GRANTING RELATED RELIEF**

Upon the *Verified Petition Under Chapter 15 for Recognition of a Foreign Main Proceeding and Related Relief* [Docket No. 2] (the “Verified Petition”)² of Ernst & Young Hua Ming LLP, in its capacity as the duly authorized foreign representative (the “Foreign Representative”) of Huachen Energy Co., Ltd. (the “Debtor”), which is the subject of a bankruptcy reorganization proceeding under PRC law (the “PRC Proceeding”) currently pending before the No. 1 Intermediate People’s Court of Beijing (the “PRC Court”) under Article 71 of the Enterprise Bankruptcy Law of the People’s Republic of China (the “Enterprise Bankruptcy Law”), in support of entry of an order:

- a. finding that (i) the Debtor is eligible to be a “debtor” under chapter 15 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”), (ii) the PRC Proceeding is a “foreign main proceeding” within the meaning of section 1502 of the Bankruptcy Code, (iii) the Foreign Representative satisfies the requirements of a “foreign representative” under section 101(24) of the Bankruptcy Code, and (iv) the Petition was properly filed and meets the requirements of section 1515 of the Bankruptcy Code;
- b. granting recognition of the PRC Proceeding as a “foreign main proceeding” under sections 1517 and 1520 of the Bankruptcy Code;

¹ The last four digits of the Debtor’s Unified Social Credit Code are 6704. The location of the Debtor’s registered office is 3/F, Building 4, Guoxingjiayuan, No. 20 Shouti South Road, Haidian District, Beijing, People’s Republic of China.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Verified Petition.

- c. granting all relief afforded to foreign main proceedings under section 1520 of the Bankruptcy Code;
- d. recognizing, granting comity to, and giving full force and effect within the territorial jurisdiction of the United States to the PRC Proceeding, the Plan and the order of the PRC Court approving the Plan (the “Approval Order”), including giving effect to the releases set forth in the Plan (the “Releases”);
- e. permanently enjoining all parties from commencing or continuing any action or proceeding in the United States against the Debtor or its assets located within the territorial jurisdiction of the United States that is inconsistent with the Plan (the “Injunction”);
- f. directing the Debtor, the Trustee (including any replacement trustee, as may be applicable), and any other relevant party to execute and deliver all consents, instruments, releases of liens and encumbrances or documents of similar effect, and other documents necessary to give effect to the Plan, and authorizing the Trustee to file such documents to the extent necessary in connection therewith (the “Direction”);
- g. waiving the 14-day stay of effectiveness of the order; and
- h. granting related relief;

and upon the record of this case and the hearing held on February 1, 2022 (the “Hearing”) on the Petition and this Court’s review and consideration of the Petition and the Liang Declaration; and the Court having found and determined that the relief sought in the Petition is consistent with the purposes of chapter 15 of the Bankruptcy Code and is in the best interests of the Debtor and its creditors; and after due deliberation and sufficient cause appearing therefor; and for the reasons stated on the record at the Hearing;

IT IS HEREBY FOUND AND DETERMINED THAT:³

A. This Court has jurisdiction to consider the Petition and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order of Reference M-431

³ The findings and conclusions set forth herein and on the record of the Hearing constitute this Court’s findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, made applicable herein by Rules 7052 and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”). To the extent any of the findings of fact herein constitute conclusions of law, they are adopted as such. To the extent any of the conclusions of law herein constitute findings of fact, they are adopted as such.

from the U.S. District Court for the Southern District of New York, dated January 31, 2012 (Preska, C.J.).

B. The consideration of the Petition and the relief requested therein is a core proceeding pursuant to 28 U.S.C. § 157(b), and this Court may enter a final order consistent with Article III of the United States Constitution.

C. Venue is proper before this Court pursuant to 28 U.S.C. § 1410(1) because (i) the Debtor has U.S. assets that are located within this District and (ii) the Indenture is governed by New York law and contains a New York forum selection clause.

D. Good, sufficient, appropriate, and timely notice of the filing of the Petition and the Hearing has been given by the Foreign Representative, pursuant to Bankruptcy Rules 1011(b) and 2002(q) and the *Order Scheduling Hearing on Chapter 15 Petition and Related Relief and Specifying Form and Manner of Service of Notice* [Docket No. 11] to (i) the United States Trustee for the Southern District of New York; (ii) counsel to the Ad Hoc Committee; (iii) the Trustee; (iv) the Plan Creditors (including the Noteholders); and (v) all parties that have filed a notice of appearance in this Chapter 15 Case. In light of the nature of the relief requested and prior orders of this Court, no other or further notice is required.

E. No objections or responses were filed that have not been overruled, withdrawn, or otherwise resolved.

F. The Debtor has property located in this District, and therefore, the Debtor is “eligible” to be a debtor in this Chapter 15 Case pursuant to sections 109 and 1501 of the Bankruptcy Code.

G. The PRC Proceeding is a “foreign proceeding” as such term is defined in section 101(23) of the Bankruptcy Code.

H. The PRC Proceeding is pending in the PRC, which is where the Debtor has its “center of main interests” as referred to in section 1517(b)(1) of the Bankruptcy Code. As such, the PRC Proceeding is a “foreign main proceeding” pursuant to section 1502(4) of the Bankruptcy Code, is entitled to recognition as a foreign main proceeding pursuant to section 1517(b)(1) of the Bankruptcy Code, and is entitled to all relief afforded to foreign main proceedings under section 1520 of the Bankruptcy Code.

I. The Foreign Representative is a “person” as such term is defined in section 101(41) of the Bankruptcy Code and has been duly appointed and designated as the “foreign representative” of the Debtor as such term is defined in section 101(24) of the Bankruptcy Code.

J. This Chapter 15 Case was properly commenced pursuant to sections 1504 and 1509 of the Bankruptcy Code, and the Petition satisfies the requirements of section 1515 of the Bankruptcy Code.

K. The Foreign Representative and the Debtor, as applicable, are entitled to the additional assistance and discretionary relief requested in the Petition (including recognition and enforcement of the Plan (and the Releases contained therein) and the Approval Order) under sections 1507 and 1521 of the Bankruptcy Code.

L. The relief granted herein is necessary and appropriate, in the interests of the public and of international comity, not inconsistent with the public policy of the United States, warranted pursuant to sections 105(a), 1504, 1507, 1509, 1515, 1517, 1520 and 1521 of the Bankruptcy Code, and will not cause hardship to any party in interest. To the extent that any hardship or inconvenience may result to such parties, it is outweighed by the benefits of the requested relief to the Foreign Representative, the Debtor and its creditors, and other parties in interest.

M. The relief granted herein is necessary to effectuate the purposes and objectives of chapter 15 of the Bankruptcy Code and to protect the Debtor and the interests of its creditors and all parties in interest.

N. Absent the relief granted herein, the Plan, the PRC Proceeding, and the Debtor's efforts to consummate the restructuring set forth in the Plan may be thwarted by the actions of certain creditors or other parties in interest, which would be at odds with the purpose of chapter 15 of the Bankruptcy Code as set forth, *inter alia*, in section 1501(a) of the Bankruptcy Code. Such results could threaten, frustrate, delay, and ultimately jeopardize the implementation of the restructuring set forth in the Plan. Absent the Injunction, the Debtor and its assets may be subject to the prosecution of judicial, quasi-judicial, arbitration, administrative, or regulatory actions or proceedings in connection with claims under the PRC Proceeding against the Debtor and its assets located within the territorial jurisdiction of the United States, thereby interfering with and causing irreparable harm to the Debtor, its creditors and other parties in interest. Similarly, absent the Direction, the Debtor's ability to implement the terms of the Plan and successfully complete the Financial Restructuring may be impaired.

O. The Injunction and the Direction contained herein (i) are within the Court's jurisdiction to grant; (ii) are essential to the success and objectives of the Plan and the PRC Proceeding; and (iii) confers material benefits on, and is in the best interests of, the Debtor, its creditors, and all other parties in interest.

P. In accordance with section 1507(b) of the Bankruptcy Code, the relief granted herein will reasonably assure: (i) the just treatment of all holders of claims against or interests in the Debtor's property; (ii) the protection of claim holders in the United States against prejudice and inconvenience in the processing of claims in the PRC Proceeding; (iii) the prevention of

preferential or fraudulent dispositions of property of the Debtor; and (iv) the distribution of proceeds of the Debtor's property substantially in accordance with the order prescribed in the Bankruptcy Code.

Q. All creditors and other parties in interest, including the Debtor, are sufficiently protected in the grant of the relief ordered hereby in compliance with section 1522(a) of the Bankruptcy Code.

BASED ON THE FOREGOING FINDINGS OF FACT AND AFTER DUE DELIBERATION AND SUFFICIENT CAUSE APPEARING THEREFOR, IT IS HEREBY ORDERED THAT:

1. The Petition and the relief requested therein are granted, and any objections or responses thereto that have not been withdrawn or resolved are overruled with prejudice.

2. The PRC Proceeding is recognized as a "foreign main proceeding" under sections 1517(a) and 1517(b)(1) of the Bankruptcy Code.

3. The Foreign Representative is recognized as the "foreign representative" as defined in section 101(24) of the Bankruptcy Code in respect of the PRC Proceeding.

4. All relief and protection afforded to a foreign main proceeding under section 1520 of the Bankruptcy Code is hereby granted to the PRC Proceeding, the Debtor, and the Debtor's assets located in the United States, as applicable, including, without limitation, the application of the automatic stay under section 362 of the Bankruptcy Code to the Debtor and its property located in the territorial jurisdiction of the United States.

5. As of the effective date of the Plan (the "Plan Effective Date"), the Plan (including the Releases), and the Approval Order granted in the PRC Proceeding shall be recognized, granted comity, and given full force and effect in the United States and are binding and fully enforceable in accordance with their terms pursuant to sections 105(a), 1507, 1521, and 1525 of the Bankruptcy Code on all entities (as that term is defined in section 101(15) of the Bankruptcy Code) whose

claims or interests are affected by the Plan and each of their respective heirs, successors, assigns, trustees, subsidiaries, affiliates, officers, directors, agents, employees, representatives, attorneys, beneficiaries, guardians and similar officers, or any persons claiming through or in the right of any such persons or entities (collectively, other than the Debtor and its expressly authorized representatives and agents, the “Affected Entities”), whether or not the Affected Entity consented to be bound by or participated in the Plan.

6. As of the Plan Effective Date, except as expressly permitted by the Plan or any other document giving effect to the Plan, including the Amendment Documents, all Affected Entities shall be hereby permanently enjoined from asserting any debt, claim, or interest affected by the Approval Order and the Plan, including, without limitation:

- a. executing against any of the Debtor’s assets;
- b. commencing or continuing, including issuing or employing process, of a judicial, quasi-judicial, administrative, regulatory, arbitral, or other action or proceeding, or to recover a claim, including, without limitation, any and all unpaid judgments, settlements, or otherwise against the Debtor, its property, or any direct or indirect transferee of or successor to any property of the Debtor, or any property of such transferee or successor, or the seeking of any discovery related to any of the foregoing, which in each case is in any way inconsistent with, relates to, or would interfere with, the administration of the Debtor’s estate in the PRC Proceeding, PRC law or the implementation or consummation of the Approval Order or the Plan (including the Releases);
- c. taking or continuing any act to create, perfect, or enforce a lien or other security interest, setoff or other claim against the Debtor or any of its property or proceeds thereof, which in each case is in any way inconsistent with, relates to, or would interfere with, the administration of the Debtor’s estate in the PRC Proceeding, PRC law or the implementation or consummation of the Approval Order or the Plan (including the Releases);
- d. transferring, relinquishing, or disposing of any property of the Debtor to any entity other than the Foreign Representative and his authorized representatives and agents or taking or continuing any act to obtain possession of, commingle, or exercise control over, such property, which in each case is in any way inconsistent with, relates to, or would interfere with, the administration of the Debtor’s estate in the PRC Proceeding, PRC law

or the implementation or consummation of the Approval Order or the Plan (including the Releases);

- e. commencing or continuing in any manner, directly or indirectly, an individual action or proceeding concerning the Debtor's assets, rights, obligations or liabilities, or to resolve any dispute arising out of any provision of the Plan, including the Releases, or PRC law relating to the Plan, in each case, to the extent they have not been stayed pursuant to sections 1520(a) and 362 of the Bankruptcy Code; and
- f. declaring or considering the filing of the PRC Proceeding, the Plan, the Approval Order, or this Chapter 15 Case a default or event of default under any agreement, contract or arrangement;

provided, in each case, that such injunctions shall be effective solely within the territorial jurisdiction of the United States.

7. As of the Plan Effective Date, any judgment, wherever and whenever obtained, to the extent such judgment is a determination of the liability of the Debtor or any other person released (a) under the Plan pursuant to the Releases, (b) with respect to any debt canceled, discharged or restructured under the Plan, or (c) as a result of the application of Enterprise Bankruptcy Law in connection with the Plan, shall be unenforceable in the United States, in each case, to the extent inconsistent with the Plan, the Approval Order, or such law.

8. To the extent any Affected Entity has filed financing statements, mortgages, construction or mechanic's liens, lis pendens or other documents or agreements evidencing claims, liens, interests or encumbrances, in or against the Debtor's assets and has not delivered to the Debtor, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, or releases of such encumbrances, (a) each such person or entity is hereby directed to deliver all such statements, instruments and releases; (b) the Debtor is hereby authorized to execute and file such statements, instruments, releases and other documents on behalf of such person or entity asserting the same, as may be applicable. Each and every federal, state and local governmental unit is hereby directed to accept any and all documents and instruments

necessary or appropriate to give effect to the Plan and the transaction contemplated thereunder and by this Order. This Order is deemed to be in recordable form sufficient to be placed in the filing or recording system of each and every federal, state, or local government agency, department or office.

9. The Foreign Representative, the Trustee (including any replacement trustee, as may be applicable), and the Debtor (a) are authorized and empowered to, and may in their discretion and without further delay, execute and deliver documents to effectuate the Plan (including the Releases) and take any action and perform any act necessary to implement and effectuate the terms of this Order and, the Approval Order and the Plan and (b) shall be authorized and empowered to exercise all consent and approval rights provided for in the Plan in the manner set forth in the Plan.

10. No action taken by the Foreign Representative, the Debtor, or their respective agents, representatives, advisors, or counsel, in preparing, disseminating, applying for, implementing or otherwise acting in furtherance of the PRC Proceeding, the documents contemplated thereunder, this Order, the Chapter 15 Case, any further order for additional relief in the Chapter 15 Case, or any adversary proceedings in connection therewith, will be deemed to constitute a waiver of the immunity afforded such persons under sections 306 or 1510 of the Bankruptcy Code.

11. No party shall incur any liability for following the terms of this Order (whether by acting or refraining from acting), except in the case of the party's own gross negligence or willful misconduct.

12. Nothing herein shall enjoin, impair, or otherwise supplement or modify in any manner the rights of any party granted under the Plan or any other document giving effect to the Plan, including the Amendment Documents, and nothing herein shall modify the exclusive right

of the PRC Court to hear and determine any suit, action, or proceeding and to settle any dispute which may arise out of the any provision of the Plan or the Approval Order, or out of any action to be taken or omitted to be taken under the Plan or Approval Order or in connection with the administration of the Plan or Approval Order.

13. Nothing herein shall enjoin a police or regulatory act of a governmental unit, including a criminal action or proceeding.

14. The Foreign Representative, the Debtor, and their respective agents are authorized to serve or provide any notices required under the Bankruptcy Rules or local rules of this Court.

15. Notwithstanding any provision in the Bankruptcy Code or the Bankruptcy Rules to the contrary, including, but not limited to Bankruptcy Rules 1018, 3020(e), 6004(h), 7062 and 9014, (a) this Order shall be effective immediately and enforceable upon its entry, (b) the Foreign Representative is not subject to any stay in the implementation, enforcement, or realization of the relief granted in this Order, and (c) this Order shall constitute a final order within the meaning of 28 U.S.C. § 158(a).

16. This Court shall retain jurisdiction with respect to the implementation, enforcement, amendment, or modification of this Order.

Dated: February 2, 2022
New York, New York

/s/ Lisa G. Beckerman
THE HONORABLE LISA G. BECKERMAN
UNITED STATES BANKRUPTCY JUDGE