

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. CHANGES TO THE BOARD OF DIRECTORS OF THE GUARANTOR

- 2.1 As at the date of this announcement, the directors of the Guarantor are:

- (i) CHEN Yihe (陈义和);
- (ii) TU Youcheng (涂佑诚);
- (iii) ZHU Ning (朱宁);
- (iv) GONG Hongyan (宫洪岩);
- (v) YU Xue (于雪);
- (vi) HUA Huiliang (滑会亮); and
- (vii) ZHAO Guoxi (赵国习).

- 2.2 Due to an internal reorganisation, Mr ZHU Ning has stepped down as the legal representative (法人) of the Guarantor and Mr HUA Huiliang has been appointed as the new legal representative of the Guarantor. Mr ZHU Ning remains authorised by the board of directors of the Guarantor and China National Friend Industry Corporation (中国富莱德实业公司), the largest shareholder of the Guarantor, to represent the Guarantor and to discuss and effect the restructuring of the Bonds.

3. AUDIT OF GUARANTOR FINANCIALS

The auditors of the Guarantor are currently auditing the Guarantor's annual financial statements for the year ended 31 December 2018. The Guarantor expects the audit to be substantially complete by the end of April 2019 and for the audited consolidated financial statements to be published in early May 2019. The Issuer and the Guarantor will update Bondholders once the audited consolidated financial statements of the Group can be made available.

4. COUPON PAYMENTS

- 4.1 Despite the coupon payment made on or about 20 December 2018 in respect of the Bonds, the Issuer and the Guarantor propose that all interest payments on the outstanding Bonds continue to be suspended pending further notice.

- 4.2 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. The Guarantor will further engage with Bondholders once the Group's annual financial statements are available in order to discuss an updated restructuring proposal.
- 4.3 Should Bondholders require any further information, please contact our advisors using the contact details below:

Company's advisors

Ashurst

Email: cercg@ashurst.com

FTI Consulting Inc.

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

10 April 2019

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