

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. **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 Keepwell Provider'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 Keepwell Provider are in the process of finalising their audit of the Group Financial Statements. The Issuer and the Keepwell Provider will update Bondholders once the audited Group Financial Statements are made available.

3. **NEXT STEPS**

- 3.1 The Keepwell Provider 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 Keepwell Provider 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 Keepwell Provider 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 Company Limited
China Energy Reserve and Chemicals Group Company Limited

12 July 2019

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