

**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 Capitalised terms used but not otherwise defined herein shall have the meanings ascribed to them in the previous announcements issued by the Issuer and the Company.
- 1.2 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 the announcement issued by the Issuer and the Company on 10 January 2022 in relation to: (a) the joinder application by China Life to be substituted as the plaintiff and for the Trustee to be joined as an interested party in the ongoing legal proceedings regarding the 2022 Bonds (the "**Joinder Application**"); (b) the application by China Life for the garnishee order *nisi* to be made absolute (the "**Garnishee Application**"); and (c) the application by CERCG Overseas to set aside the Garnishee Application on the ground of material non-disclosure ("**Setting Aside Application**").
- 2.2 On 18 March 2022, the Court delivered its decision and ordered, among other things, that:
- (a) in respect of the Joinder Application:
- (i) China Life be substituted as the plaintiff; and
- (ii) the Trustee be joined as an interested party,
- in the ongoing legal proceedings regarding the 2022 Bonds;
- (b) in respect of the Garnishee Application:
- (i) upon the undertaking ("**Undertaking**") given by China Energy Reserve and Chemicals Trading Company Limited, CERCG Overseas and the Company to the Court and their creditors that the Group would not dispose of or remove the US\$120 million Deposit except with the leave of the Court, and the Court's acceptance of that Undertaking for 14 days, the garnishee order *nisi* be made absolute save as to the amount of US\$70 million; and
- (ii) in the absence of an application by any interested party in respect of the amount of US\$70 million within 14 days of the date of the Court's decision, the Undertaking will be discharged; and
- (c) the Setting Aside Application be dismissed.
- 2.3 The Issuer and the Company are taking legal advice in relation to the ongoing legal proceedings regarding the 2022 Bonds.

3. **CONTINUED SUSPENSION OF COUPON AND PRINCIPAL PAYMENTS**

The Issuer and the Company confirm that all interest and principal payments on the outstanding Bonds continue to be suspended pending further notice.

4. **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

23 March 2022

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