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HK\$2,000,000,000 6.30 PER CENT. GUARANTEED BONDS DUE 2022

ISSUED BY

CHINA ENERGY RESERVE AND CHEMICALS GROUP OVERSEAS COMPANY LIMITED

(incorporated in the British Virgin Islands with limited liability)

("2022 Bonds Issuer")

("2022 Bonds")

(Stock Code: 5503)

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" or the "Company")

(incorporated in the People's Republic of China with limited liability)

INSIDE INFORMATION

1. INTRODUCTION

- 1.1 This announcement is made by the 2022 Bonds Issuer pursuant to Rules 37.47, 37.47A, 37.47B and 37.47E of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).
- 1.2 Reference is made to the previous announcements issued by the 2021 Bonds Issuer, the 2022 Bonds Issuer and the Guarantor (the "**Announcements**"), relating to, among others, suspension of payments of principal and interest due under the 2022 Bonds.
- 1.3 Capitalised terms used but not otherwise defined herein shall have the meanings ascribed to them in the Announcements.

2. **EVENTS OF DEFAULT AND DELISTING OF 2021 BONDS**

- 2.1 Reference is made to (i) the announcement dated 25 May 2018 informing Bondholders of CERCG Overseas Capital's failure to pay the principal amount and accrued interest on the 2018 Bonds on the 2018 Bonds' Maturity Date and that such payment default under the 2018 Bonds triggered cross-defaults under certain other issued bonds to which CERCG Overseas Capital and/or the Guarantor are party, including the 2021 Bonds and the 2022 Bonds, and (ii) the announcement dated 31 May 2019 informing Bondholders of a demand and acceleration notice received from the Trustee declaring the 2021 Bonds to be immediately due and payable at their principal amount together with accrued interest (the "**Demand Notice**").
- 2.2 Under the terms and conditions of the 2018 Bonds (the "**2018 Bonds Conditions**"), an event of default occurs if there is a failure to pay any amount of principal or premium in respect of the 2018 Bonds when due or a failure to pay any amount of interest in respect of the 2018 Bonds within 15 days of the due date for payment. The 2018 Bonds Conditions provide that the principal payment and the last interest payment in respect of the 2018 Bonds were due on 11 May 2018. As of the date of this announcement, payments of the principal (and as a result, the accrued interest on the outstanding principal of the 2018 Bonds, if any) have not yet been made by CERCG Overseas Capital or the Guarantor. As such, an event of default under the 2018 Bonds occurred due to the failure to make the principal payment and the accrued interest payment.
- 2.3 The failure to pay the principal and interest in respect of the 2018 Bonds by CERCG Overseas Capital and the Guarantor constituted cross-defaults under other issued bonds to which CERCG Overseas Capital and/or the Guarantor are party, including the 2021 Bonds and the 2022 Bonds (the "**2018 Bonds Cross Defaults**").
- 2.4 Under the terms and conditions of the 2021 Bonds (the "**2021 Bonds Conditions**"), an event of default occurs if there is a failure to pay any amount of principal or premium in respect of the 2021 Bonds when due or a failure to pay any amount of interest in respect of the 2021 Bonds within 15 days of the due date for payment. The 2021 Bonds Issuer and the Guarantor have not complied with the Demand Notice by repaying all principal amounts and accrued interest payable under the 2021 Bonds (the "**Demand Notice Payment Default**"). In addition, the 2021 Bonds Conditions provide that the principal payment and the last interest payment in respect of the 2021 Bonds were due on 14 April 2021. As of the date of this announcement, payments of the principal and the last instalment of interest (and any accrued interest which remains unpaid) on the 2021 Bonds have not been made by the 2021 Bonds Issuer or the Guarantor on their due date. As such an event of default under the 2021 Bonds due to the failure to pay the principal and the last interest instalment (and any accrued interest which remains unpaid) occurred, in addition to the Demand Notice Payment Default and the 2018 Bonds Cross Defaults.
- 2.5 The failure to pay the principal and interest in respect of the 2021 Bonds by the 2021 Bonds Issuer and the Guarantor as described in this announcement and the Demand Notice Payment Default constituted cross defaults under the 2022 Bonds, in addition to the 2018 Bonds Cross Default.

- 2.6 Notice is also given that as the 2021 Bonds matured on 14 April 2021, it was automatically delisted from the Stock Exchange. Bondholders requiring further information in relation to the 2021 Bonds may contact our advisors using the contact details below:

Company's advisors

Ashurst

Email: cercg@ashurst.com

FTI Consulting Inc.

Email: cercg@fticonsulting.com

3. CONTINUED SUSPENSION OF TRADING IN THE 2022 BONDS

- 3.1 Trading in the 2022 Bonds listed on the Stock Exchange has been suspended since 28 May 2018 and will continue to be suspended until further notice or the withdrawal of listing of the 2022 Bonds .
- 3.2 Until the withdrawal of listing of the 2022 Bonds, the 2022 Bonds Issuer will keep holders of the 2022 Bonds updated by way of further announcement(s) as and when appropriate. Bondholders are advised to exercise caution when dealing in the securities of the 2022 Bonds Issuer, the Guarantor and the Group.

By Order of the Board
**CHINA ENERGY
RESERVE AND
CHEMICALS GROUP
OVERSEAS COMPANY
LIMITED**
Kwok Siu Mei
Director

By Order of the Board
**CHINA ENERGY RESERVE
AND CHEMICALS GROUP
COMPANY LIMITED**
中國國儲能源化工集團股份
公司
Ma Fenggang
Chairman

Hong Kong, 16 April 2021

As at the date of this announcement, the directors of the 2022 Bonds Issuer are KWOK Siu Mei and DUAN Chongjun.

As at the date of this announcement, the directors of the Guarantor are MA Fenggang, CHEN Yiming, TU Youcheng, YAN Chunhai, GONG Hongyan, HUA Huiliang, and ZHOU Weijing.