

**CHINA FISHERY GROUP LIMITED**  
(Incorporated in the Cayman Islands)

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**Update on Chapter 11 Process**

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The board of directors (the “**Board**”) of China Fishery Group Limited (the “**Company**”) wishes to provide an update on Chapter 11 proceedings currently before the United States Bankruptcy Court in the Southern District of New York (the “**NY Court**”), in addition to the steps taken by the Company to progress a comprehensive and consensual restructuring.

On 8 June 2017, pursuant to the Company’s Chapter 11 filings, the NY Court granted an order (the “**Exclusivity Order**”) extending until 1 November 2017 the period during which the Company has the exclusive right to file with the NY Court a plan of reorganization. In granting the order, the NY Court required that the Chapter 11 debtors meet the obligations set down in an exclusivity protocol, which lays out a time line for key milestones leading up to the filing of a disclosure statement and Chapter 11 plan on 29 September 2017. The Company has successfully complied with that time line.

One of the milestones in the exclusivity protocol was to provide to certain lenders before the NY Court, subject to non-disclosure requirements, a report prepared by RSM Corporate Advisory (Hong Kong) Limited (“**RSM**”) regarding its forensic review no later than 15 June 2017. In accordance with the protocol, a draft interim forensic report was delivered by RSM to the Independent Review Committees of Pacific Andes International Holdings and Pacific Andes Resources Development on 15 June 2017, subject to strict confidentiality agreement. The report delivered was very much an interim draft and RSM’s forensic review continues to be ongoing. As the review is being conducted independently, the timing of its completion is not within the control of the Company. An announcement of the findings of RSM’s review will be made following its completion.

Under the Exclusivity Order, the Company and other Chapter 11 debtors across the broader Pacific Andes Group are required to develop and file a Chapter 11 plan. In order to take that process forward, group and individual meetings were convened by the Company, its New York counsel and financial advisor during the week commencing 26 June 2017 in order to provide economic restructuring proposals to those creditors bound by confidentiality agreement. The key purpose was to obtain feedback from creditors that could help shape the restructuring plan. Importantly, in the course of the meetings, emphasis was given to the fact that the plan being developed by the Company is complementary to, and in no way competitive with, the process being undertaken by the Chapter 11 trustee. The Company’s objective in making the Chapter 11 filings has always been to maximize economic return to all creditors, and that remains the focus of the restructuring planning.

In accordance with the exclusivity protocol, term sheets were distributed on 15 July 2017 to creditors which are before the NY Court and bound by confidentiality. The term sheets outline the principal terms of a proposed financial restructuring of the debtors under a joint Chapter 11 plan. The intention is that the term sheets be the focus of negotiations with creditors to develop as much consensus as possible in advance of the debtors' deadline under the Exclusivity Order to file the restructuring plan by 29 September 2017. Further meetings with creditors have been held, and will continue to be held to gain feedback on the term sheets and carry forward the process of restructuring plan development.

As of the date of this announcement, the Company has not entered into any binding agreement with any party with respect to the financial restructuring of the Company and its subsidiaries.

On 24 July 2017, the Singapore High Court (the "**Court**") heard an *ex parte* application that the appointment of William A. Brandt, Jr (the "**Chapter 11 Trustee**"), as Chapter 11 trustee of CFG Peru Investments Pte. Ltd. ("**CFG Peru Singapore**") be recognized in Singapore. The Court granted the recognition and held that the Chapter 11 Trustee shall have the like powers in relation to the property and assets of CFG Peru Singapore located in Singapore (and the proceeds thereof) as he would have under the US Bankruptcy Code, provided that such powers are available to a judicial manager appointed under the Companies Act (Chapter 50 of Singapore). The Court also held that the Chapter 11 Trustee be recognized as the foreign representative of CFG Peru Singapore and be entrusted with the administration and realization of all or any part of the property and assets of CFG Peru Singapore located in Singapore. In addition, the Court ordered that, for so long as the CFG Peru Singapore Chapter 11 proceedings (including any extensions thereto) are in force, except with the consent of the Chapter 11 Trustee, or with the leave of the Court and (where the Court gives leave) subject to such terms as the Court may impose:

- (1) no receiver, manager, receiver and manager, judicial manager, or administrative receiver of all or any of the CFG Peru Singapore's property, assets or undertakings shall be appointed;
- (2) no actions or proceedings (whether in rem or in personam or otherwise), including winding up proceedings or arbitration, and no arrest, attachment, sequestration, seizure, detention, enforcement, execution or other legal process shall be commenced or continued and no distress may be levied against the CFG Peru Singapore or its property, assets and undertakings; and
- (3) no steps shall be taken to enforce security over the CFG Peru Singapore's property or assets or to repossess any goods under any hire-purchase agreement, chattels leasing agreement or retention of title agreement.

The Company will make further announcements as material developments arise.

By Order of the Board

Ng Puay Yee (Jessie)  
Executive Director and Chief Executive Officer

28 July 2017