

CHINA FISHERY GROUP LIMITED
(Incorporated in the Cayman Islands)

**Update on Chapter 11 Restructuring Process, Operational and Financial Information, and the
Composition of the Board and Board Committees**

China Fishery Group Limited (the “**Company**”) wishes to provide an update on the Chapter 11 restructuring process, operational and financial information in relation to certain major subsidiaries, and an update on the composition of the board of directors (“**Board**”) and Board committees, as follows:

1. UPDATE ON RESTRUCTURING INITIATIVES

Since the Company filed its Disclosure Statement and restructuring plan with the United States Bankruptcy Court in the Southern District of New York Court (the “**NY Court**”) on 29 September 2017, the Company has been engaged in regular discussions with creditors and potential plan investors, to facilitate the filing of an amended restructuring plan with a committed plan investor. As reported previously, those discussions have been constructive and are continuing. The Company continues to work towards the filing of an amended plan as soon as possible.

In previous announcements information has been provided on a complaint against HSBC filed by the Chapter 11 trustee in the NY Court. HSBC filed a motion to dismiss the Chapter 11 trustee’s amended complaint on 29 March 2019. There was a hearing in the NY Court on 4 September 2019 and subsequently the NY Court issued a Scheduling Order requiring the parties to submit certain additional information. No further hearing is scheduled at this point.

Since the Company’s last update announcement, on 8 October 2019, the Chapter 11 trustee filed a motion to amend and extend a previously approved loan for the payment of his administrative expenses. As previously announced, The NY Court had earlier approved a loan with super priority to the entity over which the Chapter 11 trustee was appointed of US\$30 million, and the Chapter 11 trustee sought an order increasing the existing loan by US\$15 million to US\$45 million, advising the NY Court that the previously approved \$30 million had been fully drawn. He also sought an extension of the loan term to 31 December 2020. A limited objection to the motion was filed by certain CFGL bondholders on 22 October 2019. On 5 November 2019, the NY Court signed an order approving the increased loan amount and extension of the loan term.

Following the withdrawal of the Chapter 11 trustee’s original motion to the NY Court seeking authorization to make an interim distribution of excess cash to creditors, on 27 August 2019, the Chapter 11 trustee filed a second motion seeking similar authorization to make an interim

distribution of excess cash. The Chapter 11 trustee reserved the right to later determine the amount of excess cash available. The payments would be in satisfaction of a portion of the amounts currently due and outstanding on the Senior Notes and the Club Loan. The Chapter 11 trustee believed that the time was “ripe” for the NY Court’s adjudication on a guarantee question which impacts the priority of payments to holders of the Senior Notes and the Club Loan creditors. An objection to the motion by certain bondholders and a response in support of the motion by a creditor were filed on 2 October 2019. The motion was heard by the NY Court on 29 October 2019 and the NY Court’s ruling was set down to be delivered on 17 December 2019 which was later extended to 27 December 2019. On that date, the NY Court denied the Chapter 11 trustee’s motion. The Chapter 11 trustee has subsequently filed a further motion for interim distribution which is set down for hearing on 22 December 2020.

In the meantime, certain bondholders have sought the NY Court’s approval to the issue of subpoenas to a number of parties, including the Company, for the production of documents order to have more information available on the guarantee issue mentioned above. The NY Court is yet to make a final ruling on the request.

On 10 December 2019, the Chapter 11 trustee filed a motion with the NY Court seeking the appointment of a mediator to conduct a mediation with respect to a dispute relating to the granting of a Copeinca guarantee and proceedings initiated by the FTI liquidators in Hong Kong against an entity under the control of the Chapter 11 trustee. The motion was addressed at a hearing of the NY Court on 17 December 2019 and adjourned to a hearing on 22 January 2020.

As at 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 or its subsidiaries.

The Company will continue to engage and work closely with all creditors, including bondholders, to achieve the best possible consensual restructuring for all interested parties, and will continue to provide updates on any material developments.

2. OPERATIONAL AND FINANCIAL UPDATE FOR CERTAIN MAJOR SUBSIDIARIES

(i) Operational Update

Based on information provided by the Chapter 11 trustee, and made available to the Board, CFGI’s operations in Peru have been continuing. The first 2019 fishing season in the North/Centre region concluded on 31 July 2019 with the industry utilising approximately 100% of the 2.1 million tonnes Total Allowable Catch (“TAC”). The Ministry of Production has announced a TAC of 2.786 million tonnes for the second season of 2019. This is the highest second season TAC approved by the Peruvian Government for at least twelve years. Fishing commenced on 16 November 2019, and as of 20 December 2019, 34% of the TAC has been caught by the industry. There is currently a fishing ban in place due to a high presence of juveniles, which will continue until the level of juveniles reaches an acceptable level.

The Ministry of Production announced a TAC of 540,000 tonnes for the second 2019 fishing season in the South region of Peru, the same TAC as the first season. Fishing commenced on 5 August 2019 and to date, 2,854 tones have been caught by the industry.

(ii) Financial Update for the Financial Year ended 28 September 2019

The Company wishes to provide shareholders with an update on the financial results of certain of the Company's major subsidiaries. Such financial information is based on the unaudited management accounts, which have not been audited or reviewed by the auditors of the Company and may, therefore, be subject to change, and in no way represent the consolidated financial performance of the Company.

Based on the unaudited management accounts, CFG Investment S.A.C and Corporacion Pesquera Inca S.A.C. recorded a combined turnover of US\$339 million (approximately HK\$2,644 million) for the financial year ended 28 September 2019 decreased by 13% from US\$391 million (approximately HK\$3,050 million) for the financial year ended 28 September 2018. The reduction in turnover was primarily driven by the relatively lower TAC announced by the Government for the second 2018 and first 2019 fishing seasons in Peru's North/Centre fishing region. The combined loss before tax decreased from US\$54 million (approximately HK\$421 million) for the financial year ended 28 September 2018 to US\$35 million (approximately HK\$273 million) for the year ended 28 September 2019. The decrease in loss was mainly attributable to the decrease of impairment in relation to property, plant and equipment from US\$22 million (approximately HK\$172 million) for the year ended 28 September 2018 to US\$10 million (approximately HK\$78 million) for the year end 28 September 2019.

3. Resignation of Independent Non-Executive Director and Changes to the Board Composition

The Board wishes to announce the resignation of Mr. Tan Ngiap Joo as independent non-executive director of the Company with effect from 2 January 2020. The details and declarations of Mr. Tan Ngiap Joo's cessation as required under Rule 704(7) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**") are contained in a separate announcement of today's date.

Mr. Tan Ngiap Joo has been a member of the Board since 12 January 2009, and for more than ten years has made a major contribution to the deliberations of the Board. His contribution will be greatly missed. All Board members would like to thank Mr. Tan for his dedication and contribution over the years and wish him all the best in his future endeavours.

As a consequence of Mr. Tan relinquishing his position on the Board, he will also vacate his roles as Chairman of the Nominating Committee, Chairman of the Investment Committee, member of the Audit and Risk Management Committee and member of the Remuneration Committee, and alternate member of the Corporate Social Responsibility Committee to Mr. Lim Soon Hock.

With effect from 2 January 2020 the composition of the Board and Board committees are as follows:

Board

Mr. Ng Joo Kwee – Executive Chairman
Ms. Ng Puay Yee (Jessie) – Executive Director and Chief Executive Officer
Mr. Sung Yu Ching – Non-Executive, Non-Independent Director
Mr. Tse Man Bun – Non-Executive, Lead Independent Director
Mr. Lim Soon Hock – Non-Executive, Independent Director

Audit and Risk Management Committee

Mr. Tse Man Bun – Chairman
Mr. Lim Soon Hock
Mr. Sung Yu Ching

Investment Committee

Mr. Lim Soon Hock – Chairman
Ms. Ng Puay Yee (Jessie)
Mr. Tse Man Bun

Remuneration Committee

Mr. Lim Soon Hock – Chairman
Mr. Tse Man Bun

Nominating Committee

Mr. Tse Man Bun – Chairman
Mr. Lim Soon Hock

Corporate and Social Responsibility Committee

Mr. Lim Soon Hock – Chairman
Ms. Ng Puay Yee (Jessie)
Mr. Tse Man Bun

The Company will be taking steps to appoint an independent director to the Board to replace Mr. Tan Ngiap Joo to ensure compliance with the relevant Listing Manual requirements.

By Order of the Board

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

3 January 2020