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CFG INVESTMENT S.A.C.
(Incorporated in Peru)
(the “**Company**”)

UPDATE TO NOTEHOLDERS

The Company wishes to inform holders of the Company’s securities that the attached Notice was issued by the Company on 28 January 2016 to the holders of the Company’s US\$300 million 9.75% Senior Notes due July 30, 2019.

By order of
CFG Investment S.A.C.
Francisco Paniagua
General Manager

28 January 2016

THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE REGISTERED AND BENEFICIAL OWNERS OF THE SUBJECT SECURITIES. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE THE TRANSMITTAL TO BENEFICIAL OWNERS OF THE SECURITIES IN A TIMELY MANNER.

UPDATE TO NOTEHOLDERS

CFG Investment S.A.C. (the “**Issuer**”)
China Fishery Group Limited (the “**Company**”)

relating to the
US\$300 million 9.75% Senior Notes
due July 30, 2019
issued by the Issuer and
guaranteed by, *inter alia*, the Company
(the “**Notes**”)

CUSIP Number: 125260 AB5
ISIN: US125260AB56

CUSIP Number: P25239 AB3
ISIN: USP25239AB34

Dear Noteholders,

We write to provide an update to holders of the Notes (the “**Noteholders**”) with respect to:

- (a) recent developments regarding the termination and dismissal by the High Court of the Hong Kong Special Administrative Region (the “**HK Court**”) of the Joint Provisional Liquidators (the “**JPLs**”) appointed with respect to the Company and China Fisheries International Limited (“**CFIL**”);
- (b) the signing of a deed of undertaking by the Company and CFIL with The Hongkong and Shanghai Banking Corporation Limited (“**HSBC**”) on 20 January 2016 and the progress made with respect to the dismissal of the winding up petition set for hearing in the Grand Court of the Cayman Islands (the “**Cayman Court**”) and the HK Court; and
- (c) proposed steps forward with the Noteholders in light of these developments.

These steps are being proposed with a view to continuing efforts to restore and increase stability for the Company and its subsidiaries (together, the “**China Fishery Group**”) and to establish a clear and transparent process for the provision of information to Noteholders in light of recent discussions with other long term financial creditors of the China Fishery Group.

Dismissal of joint provisional liquidators in Hong Kong

The HK Court issued an order on January 5, 2016 dismissing the continuance of the appointment of Fergal Thomas Power, Edward Simon Middleton and Kris Beighton of Messrs KPMG as JPLs of each of the Company and CFIL in Hong Kong.

Deed of Undertaking entered into with HSBC

On January 20, 2016, the Company and CFIL entered into a deed of undertaking (the “**Deed**”) which was negotiated and agreed directly with HSBC, Bank of America, N.A., and all other club lenders to the Company and its subsidiaries and therefore has the support of all such lenders (not only HSBC). Under the Deed, in consideration of the Company and CFIL fulfilling certain undertakings by 11:59 p.m. on January 21, 2016, HSBC agreed to immediately take all necessary action (and any action reasonably requested by the Company and CFIL) to, *inter alia*, dismiss and terminate the appointment of Fergal Thomas Power, Kris Beighton and Alexander Lawson of Messrs KPMG as JPLs of the Company in the Cayman Islands. Through the efforts of the board of directors of the Company, the Company and CFIL managed to fulfil the undertakings required of them under the Deed and HSBC (together with the other banks to the Company) have taken steps to remove and terminate the JPLs, including taking steps towards the seeking of a consent order from the Cayman Court to discharge and terminate the JPLs. The terms of this order have been agreed between the Company, HSBC and all other banks (the “**Consent Order**”).

Notwithstanding this agreement to remove and terminate the JPLs, Fergal Thomas Power, Kris Beighton and Alexander Lawson have yet to instruct their Cayman Islands attorneys to consent to the terms of the Consent Order pending resolution of their fees. The Company has committed to paying the JPLs US\$3.1 million within 21 days of the date of the Deed and until such time the JPLs have been paid, the JPLs continue to have the comfort and security of an indemnity from HSBC for their fees.

Proposed Steps Forward

In light of the matters referred to above, the China Fishery Group considers that it would be appropriate for increased engagement to occur between the China Fishery Group and the Noteholders and/or their representatives. With that in mind, the China Fishery Group would be pleased to engage in early discussions regarding the following;

- (a) ***Ad-Hoc Committee of Noteholders:*** the formation of an informal committee of Noteholders to represent the interests of the Noteholders with the purposes of facilitating communications and discussions, aiding in the provision of information to Noteholders and assisting in creating and reinforcing necessary stability and confidence following recent events;
- (b) ***Legal Advisers:*** the hiring by such ad hoc committee of one reputable and experienced law firm to advise the committee with respect to legal issues;
- (c) ***Stability and Preservation of Cash:*** the early discussion of measures that could be initiated in order to recreate and reinforce stability so that the business of the China Fishery Group is protected and maintained. In this regard, it is fundamentally important that all cash resources available to the China Fishery Group are deployed directly in supporting the business and operations of the China Fishery Group. Accordingly, the China Fishery Group is unable to commit to making timely payment of the coupon on the Notes that is due on January 30, 2016. However, this payment, together with all claims of Noteholders will be settled in the context of the open and transparent process put in place with other long-term financial creditors of the China Fishery Group;

- (d) ***Cohesive Discussions with creditors:*** the manner in which the Ad-Hoc Committee wishes to participate in discussions that are under way with other long-term financial creditors of the China Fishery Group.

The China Fishery Group looks forward to progressing these matters on a timely basis. Recognising that intensive discussions have been taking place recently between the Company, HSBC and the other Banks, the Issuer wishes to ensure that representatives of Noteholders also receive information in an open and transparent process.

Expressions of interest from Noteholders to participate in the proposed Ad-Hoc Committee may be directed to Ashurst Hong Kong at the following contact details:

Ashurst Hong Kong

Bertie Mehigan

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Darinne Ko

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In accordance with normal practice, none of the Trustee or any of its officers, employees or affiliates expresses any opinion on the information set out in this letter. Noteholders who are unsure about the impact of such information should seek their own independent financial, legal and taxation advice.

Lima, The Republic of Peru

January 28, 2016