

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:

CHINA FISHERY GROUP LIMITED  
(CAYMAN), *et al.*,<sup>1</sup>

Debtors.

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)  
) Case No. 16-11895 (JLG)  
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) Chapter 11  
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)  
) (Jointly Administered)  
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**STIPULATION AND ORDER REGARDING  
ELECTION OF THE HONGKONG AND SHANGHAI BANKING  
CORPORATION LIMITED REGARDING RELEASES  
UNDER THE CFGL/PARD PLAN AND THE PAIH PLAN**

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The above captioned debtors and debtors in possession (excluding, for the avoidance of any doubt, CFG Peru Investments Pte. Ltd. (Singapore) (“**CFG Peru**”)) (collectively, the “**Other Debtors**”), and The Hongkong and Shanghai Banking Corporation Limited (“**HSBC-HK**”) (together with the Other Debtors, the “**Parties**”), by and through their undersigned counsel, hereby stipulate and agree as follows and, upon entry by the United States Bankruptcy Court for the Southern District of New York (the “**Court**”), it shall be found and ordered as follows (this “**Stipulation and Order**”):

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<sup>1</sup> The debtors in these chapter 11 cases are China Fishery Group Limited (Cayman), Pacific Andes International Holdings Limited (Bermuda), N.S. Hong Investment (BVI) Limited, South Pacific Shipping Agency Limited (BVI), China Fisheries International Limited (Samoa), CFGL (Singapore) Private Limited, Chanery Investment Inc. (BVI), Champion Maritime Limited (BVI), Growing Management Limited (BVI), Target Shipping Limited (HK), Fortress Agents Limited (BVI), Ocean Expert International Limited (BVI), Protein Trading Limited (Samoa), CFG Peru Investments Pte. Ltd. (Singapore), Smart Group Limited (Cayman), Super Investment Limited (Cayman), Pacific Andes Resources Development Limited (Bermuda), Nouvelle Foods International Ltd., Golden Target Pacific Limited, Pacific Andes International Holdings (BVI) Limited, Zhonggang Fisheries Limited, Admired Agents Limited, Chiksano Management Limited, Clamford Holding Limited, Excel Concept Limited, Gain Star Management Limited, Grand Success Investment (Singapore) Private Limited, Hill Cosmos International Limited, Loyal Mark Holdings Limited, Metro Island International Limited, Mission Excel International Limited, Natprop Investments Limited, Pioneer Logistics Limited, Sea Capital International Limited, Shine Bright Management Limited, Superb Choice International Limited, and Toyama Holdings Limited (BVI).

**RECITALS**

**WHEREAS**, on June 30, 2016 (the “**Petition Date**”), certain of the Other Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) with the Court;

**WHEREAS**, the Other Debtors are operating their business and managing their properties as debtors in possession pursuant to section 1107(a) and 1108 of the Bankruptcy Code;

**WHEREAS**, on June 10, 2021, the Court entered the *Order Confirming Creditor Plan Proponents’ Chapter 11 Plan for CFG Peru Investments Pte. Ltd. (Singapore)* [Docket No. 2569] pursuant to which it confirmed the *Creditor Plan Proponents’ Chapter 11 Plan for CFG Peru Investments Pte. Ltd. (Singapore)* [Docket No. 2564] (as amended, supplemented, or modified from time to time, the “**CFG Peru Plan**”);

**WHEREAS**, on December 30, 2021, HSBC-HK, the Other Debtors, and certain persons and entities affiliated with the Other Debtors entered into the HSBC-HK Settlement Deed (as defined in the CFGL/PARD Plan and the PAIH Plan), pursuant to which such parties agreed to, among other things, mutually release certain claims and causes of action upon the execution of the HSBC-HK Settlement Deed;

**WHEREAS**, the HSBC-HK Settlement Deed became effective with respect to parties other than the Other Debtors on December 30, 2021, and will become effective with respect to the Other Debtors upon approval by the Bankruptcy Court of the *Debtor’s Motion for Entry of any Order, Pursuant to Bankruptcy Rule 9019, to Approve Compromise with The Hongkong and Shanghai Banking corporation Limited* [Docket No. 2877], which was filed with the Bankruptcy Court on January 7, 2022;

**WHEREAS**, the effective date of the CFG Peru Plan has not occurred as of the date hereof and, therefore, the mutual releases contemplated by the CFG Peru Plan are not yet effective;

**WHEREAS**, on September 27, 2021, certain of the Other Debtors filed the *First Amended Joint Chapter 11 Plan of Reorganization of Pacific Andes International Holdings Limited (Bermuda) and Certain of Its Affiliated Debtors* (as amended, supplemented, or modified from time to time, the “**PAIH Plan**”) and a related disclosure statement [Docket No. 2685] (as amended, supplemented, or modified from time to time, the “**PAIH Disclosure Statement**”);

**WHEREAS**, on September 27, 2021, certain of the Other Debtors filed the *First Amended Joint Chapter 11 Plan of Reorganization of China Fishery Group Limited (Cayman), Pacific Andes Resources Development Limited (Bermuda), and Certain of Their Affiliated Debtors* (as amended, supplemented, or modified from time to time, the “**CFGL/PARD Plan**”) and a related disclosure statement [Docket No. 2684] (as amended, supplemented, or modified from time to time, the “**CFGL/PARD Disclosure Statement**”);

**WHEREAS**, on December 22, 2021, the Court entered the *Order Approving (I) Disclosure Statement, (II) Form and Manner of Notices, (III) Form of Ballots, and (IV) Solicitation Materials and Solicitation Procedures* [Docket No. 2870] (the “**PAIH Solicitation Procedures Order**”);

**WHEREAS**, under the PAIH Plan, a holder of a Class 21 N.S. Hong Club Facility Guaranty Claim is a Releasing Party under the PAIH Plan unless such holder opts out of the releases contemplated by the PAIH Plan in accordance with the PAIH Plan and the PAIH Solicitation Procedures Order, as applicable;

**WHEREAS**, on December 23, 2021, the Court entered the *Amended Order Approving (I) Disclosure Statement, and (II) Form and Manner of Notices, (III) Form of Ballots and (IV) Solicitation Materials and Solicitation Procedures* of the CFGL/PARD Plan [Docket No. 2873] (the “**CFGL/PARD Solicitation Procedures Order**”);

**WHEREAS**, under the CFGL/PARD Plan, a holder of a Class 4 CFGL Unsecured Facilities Claim is a Releasing Party under the CFGL/PARD Plan unless such holder opts out of the releases contemplated by the CFGL/PARD Plan in accordance with the CFGL/PARD Plan and the CFGL/PARD Solicitation Procedures Order as applicable;

**WHEREAS**, HSBC-HK and its related parties described in clause (vi) of the definition of “Releasing Parties” contained in each of the PAIH Plan and the CFGL/PARD Plan (collectively, the “**Opt-Out Claimants**”) hold Class 21 N.S. Hong Club Facility Guaranty Claims under the PAIH Plan and/or Class 4 CFGL Unsecured Facilities Claims under the CFGL/PARD Plan;

**WHEREAS**, contemporaneously herewith, the Other Debtors and certain other parties in connection with the Club Facility have entered into that certain *Stipulation and Order Regarding Election of Certain Senior Noteholders and Club Facility Lenders and Madison Pacific Trust Limited Regarding Releases Under the CFGL/PARD Plan and the PAIH Plan* [Docket No. 2890], pursuant to which the Other Debtors have agreed that certain specified parties will be deemed to have “opted out” of the releases contemplated by the Plans;

**WHEREAS**, the Opt-Out Claimants have elected to “opt out” of the releases contemplated by, and/or to otherwise not be “Releasing Parties” under, the PAIH Plan and the CFGL/PARD Plan, as applicable; and

**WHEREAS**, the Parties have agreed, following good-faith arms'-length discussions, that the Opt-Out Claimants shall be deemed to have opted out from the releases contemplated by, and shall not constitute Releasing Parties under, the PAIH Plan or the CFGL/PARD Plan.

**STIPULATION AND ORDER**

**NOW, THEREFORE**, it is hereby stipulated and agreed to by and among the Parties and, upon being "so ordered" by the Court, it is hereby ordered, as follows:

1. Notwithstanding anything to the contrary in the PAIH Plan, the CFGL/PARD Plan, or any order of the Court confirming the PAIH Plan or the CFGL/PARD Plan, each Opt-Out Claimant, in any applicable capacity, shall be deemed to have opted out from the releases contemplated by the PAIH Plan, the CFGL/PARD Plan, or any order of the Court confirming the PAIH Plan or the CFGL/PARD Plan.

2. Notwithstanding anything to the contrary in the PAIH Plan, the CFGL/PARD Plan, or any order of the Court confirming the PAIH Plan or the CFGL/PARD Plan, each Opt-Out Claimant, in any applicable capacity, shall not constitute a Releasing Party under the PAIH Plan, the CFGL/PARD Plan, or any order of the Court confirming the PAIH Plan or the CFGL/PARD Plan.

3. This Stipulation and Order shall have no effect, nor shall it be deemed in any way to modify, amend, limit, or otherwise affect the CFG Peru Plan, the HSBC-HK Settlement Deed and/or the HSBC-HK Stipulation and Order (as defined in the CFG Peru Plan).

4. Nothing in this Stipulation and Order is intended to, or shall be construed to, waive any rights, defenses, setoffs, objections, counterclaims, or coverage defenses that CFG Peru, any of the Opt-Out Claimants, or the Other Debtors may have under the CFG Peru Plan, the HSBC-HK Settlement Deed and/or the HSBC-HK Stipulation and Order.

5. Except as expressly set forth herein, nothing in this Stipulation and Order is intended to, or shall be construed to, waive any rights, defenses, setoffs, objections, counterclaims, or coverage defenses that CFG Peru, any of the Opt-Out Claimants, or the Other Debtors may have under the PAIH Plan or CFGL/PARD Plan.

6. This Stipulation and Order may be signed in counterparts and signatures may be delivered by fax or email, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Each of the undersigned counsel that executes this Stipulation and Order by or on behalf of each respective Party represents and warrants that such undersigned counsel has been duly authorized and empowered to execute and deliver this Stipulation and Order on behalf of such Party.

7. This Stipulation and Order constitutes the entire agreement between the Parties in respect of the subject matter hereof and shall not be modified, altered, amended, or vacated without the prior written consent of all Parties hereto or by order of the Court. No statement made or action taken in the negotiation of this Stipulation and Order may be used by any party for any purpose whatsoever.

8. Each Party represents and warrants to the other Party that it: (a) made this Stipulation and Order freely and voluntarily and with full knowledge of its significance; and (b) has been represented by counsel of its own choice in the negotiations preceding the execution of this Stipulation and Order and in connection with the preparation and execution of this Stipulation and Order.

9. The Other Debtors and each of the Opt-Out Claimants are authorized to take all actions necessary or desirable to effectuate the relief granted pursuant to, and in accordance with, this Stipulation and Order.

10. Notwithstanding the possible applicability of Bankruptcy Rules 6004, 7062, and 9014, or otherwise, the terms and conditions of this Stipulation and Order are immediately effective and enforceable upon its entry. This Stipulation and Order shall be enforceable against the Other Debtors during these Chapter 11 Cases, any subsequent converted Chapter 7 Case of any Debtor under Chapter 7 of the Bankruptcy Code, and after the dismissal of any Chapter 11 Case.

11. Pending entry of this Stipulation and Order by the Court, the Parties shall not take actions inconsistent with the provisions of this Stipulation and Order. In the event that this Stipulation and Order is not approved by the Court or is not executed by the Parties, (a) nothing herein shall be used against any of the Parties hereto for any reason and (b) the obligations of the Parties under this Stipulation and Order shall be null and void and, with the exception of this paragraph, the Parties' respective rights and obligations under applicable law shall remain unaffected by this Stipulation and Order.

12. The laws of the State of New York, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of this Stipulation and Order.

13. The provisions of this Stipulation and Order constitute an order of the Court, and violations of the provisions of this Stipulation and Order are subject to enforcement and the imposition of legal sanctions in the same manner as any other order of the Court.

14. The Court shall retain exclusive jurisdiction to hear any matters or disputes arising from or relating to this Stipulation and Order; provided that (i) neither any negotiations of this Stipulation and Order nor the terms hereof shall waive HSBC-HK's objections to the Court's exercise of jurisdiction over HSBC-HK, or be deemed to create personal jurisdiction over HSBC-HK and (ii) no action by HSBC-HK relating to compliance with the terms of this Stipulation and

Order shall waive HSBC-HK's objections to the Court's exercise of jurisdiction over HSBC-HK, or be deemed to create personal jurisdiction over HSBC-HK. Any request for relief brought before the Court to resolve a dispute arising from or related to this Stipulation and Order, and the matters agreed to herein, shall be brought on proper notice and in accordance with the relevant Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the Southern District of New York.

15. No Amendment to this Stipulation and Consent Order shall be effective unless (a) agreed to in writing by HSBC-HK and the Other Debtors and (b) if required thereunder, "so ordered" by the Court.

**SO ORDERED:**

New York, New York

Dated: \_\_\_\_\_, 2022

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THE HONORABLE JAMES L. GARRITY, JR.  
UNITED STATES BANKRUPTCY JUDGE

Dated: January 14, 2022

**KLESTADT WINTERS JURELLER SOUTHARD & STEVENS, LLP**

By: /s/ John E. Jureller, Jr.

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