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

In re:

CHINA FISHERY GROUP LIMITED (CAYMAN)

et al.,

Debtors.¹

Chapter 11

Case No. 16-11895 (JLG)

(Jointly Administered)

In re:

CFG Peru Investments Pte. Limited (Singapore),

Debtor.

Chapter 11

Case No. 16-11914 (JLG)

(Jointly Administered)

¹ The Debtors 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), CFGI (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. Limited (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).

**NOTICE OF SALE OF THE ENTERPRISE AND PACIFIC CHAMPION
IN ACCORDANCE WITH NON-DEBTOR ASSET SALE ORDER**

PLEASE TAKE NOTICE that on April 3, 2018, William A. Brandt, Jr., not individually but solely in his capacity as chapter 11 trustee (the "Chapter 11 Trustee") of CFG Peru Investments Pte. Limited (Singapore) ("CFG Peru Singapore" or the "Debtor") in the above-captioned chapter 11 cases, by his attorneys, Skadden, Arps, Slate, Meagher & Flom LLP, provides this *Notice of Sale of the Enterprise and Pacific Champion in Accordance with Non-Debtor Asset Sale Order* (the "Sale Notice"), in accordance with and pursuant to paragraph 2 of the *Order Granting Chapter 11 Trustee's Motion for Order Pursuant to Bankruptcy Code Section 105(a) and 1108 and Bankruptcy Rule 2002 Authorizing and Approving Procedures for (A) the Sale or Transfer of Certain Additional Non-Debtor Assets and (B) Taking All Desirable or Necessary Corporate Governance Actions in Connection Therewith* (the "Non-Debtor Asset Sale Order"). [Dkt. No. 584].²

PLEASE TAKE FURTHER NOTICE that unless a written objection to the Proposed Transaction, with proof of service, is filed with the Clerk of the Court, and a courtesy copy is delivered to the undersigned counsel and to the chambers of the Honorable James L. Garrity Jr. so as to be received by April 13, 2018 at 4:00 p.m. (Eastern Time), there will not be a hearing and the Chapter 11 Trustee is authorized to take all corporate governance actions consistent with Peruvian and/or Singaporean law desirable or reasonably necessary or advisable to consummate the proposed transaction set forth in the Sale Notice.

PLEASE TAKE FURTHER NOTICE that if a written objection is timely filed and served, the Chapter 11 Trustee will determine, in his business judgment, how best to proceed

² All capitalized terms used but not defined herein shall have the meaning ascribed to them in the Non-Debtor Asset Sale Order.

in accordance with the procedures outlined in the Non-Debtor Asset Sale Order. If the Chapter 11 Trustee determines that a hearing before the Court on the matter (the "Disputed Transaction") would be beneficial to the resolution of the objection, the Chapter 11 Trustee will schedule a hearing on the Disputed Transaction and notify the parties receiving the Sale Notice. If a hearing is scheduled, the Chapter 11 Trustee and any objecting parties are required to attend the hearing, and failure to attend in person or by counsel may result in relief being granted or denied upon default.

PLEASE TAKE FURTHER NOTICE that pursuant to the Non-Debtor Asset Sale Order, the Chapter 11 Trustee proposes to enter into the transaction (the "Proposed Transaction") described below, which involves the private sale or transfer of the non-debtor vessels "Enterprise" and "Pacific Champion", to a single buyer or group of related buyers.

- Non-Debtor Assets Being Sold or Transferred: The Trustee intends to sell the "Enterprise" and "Pacific Champion", fishing vessels currently anchored in the port of Chimbote, Peru, to DVS-R PTE Ltd, a Singapore limited liability company
- CFG Peru Singapore Subsidiary Involved: Sustainable Fishing Resources S.A.C.
- Consideration: \$6,800,000

PLEASE TAKE FURTHER NOTICE that pursuant to the Non-Debtor Asset Sale Order, the Chapter 11 Trustee attaches the sale and purchase agreement of the "Enterprise" and "Pacific Champion" as Exhibit A.

Dated: April 3, 2018
New York, New York

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Chapter 11 Trustee*

EXHIBIT A

Enterprise and Pacific Champion Sale and Purchase Agreement

**PURCHASE AND SALE AGREEMENT FOR
ENTERPRISE
AND
PACIFIC CHAMPION**

Dated: as of **April 3, 2018**

SUSTAINABLE FISHING RESOURCES S.A.C., a Peruvian company with corporate number 12312764 of the Public Registry of Lima, Cal. Francisco Grana 155, La Victoria, Lima, Peru, hereinafter called the "**Sellers**" have agreed to sell, and

DVS-R PTE LTD., a corporation organized under the laws of Singapore, located at 80 Anson Road, #24-02, Fuji Xerox Towers, Singapore (079917) hereinafter called the "**Buyer**"

Has agreed to buy the "**Enterprise**" and the "**Pacific Champion**" (together and hereinafter, the "**Vessels**") with the following specifications and on the following terms and conditions:

Name of Vessel	<i>Enterprise</i>	<i>Pacific Champion</i>
IMO Number	9207211	9184627
Classification Society	DNV GL	DNV GL
Class Notation	Laid up	Laid up
Year of Build	1998	1999
Flag	Peru	Peru
Place of Registration	Callao Captain Port	Callao Captain Port
GT/NT	1742.45 / 470.32	1629.96 / 364.17
Electronic Entry of the Vessel Public Registry	12826313	12564774
Location of the Public Registry	Lima	Lima
Purchase Price	\$3,400,000	\$3,400,000

Definitions

"**Banking Day or Banking Days**" is the day or the days, respectively, on which banks are open in the country of the currency stipulated for the Purchase Price in Clause 1 (Purchase Price), including Perú, Hong Kong, Singapore and New York.

"**Buyer's Nominated Flag State**" means Dominican Republic or such other jurisdiction as may be designated by the Buyer in advance of the Closing Date.

"**Cancelling Date**" is the latest day to comply with the delivery of the Vessels as established in Clauses 5(c), 5(d) and 14, which shall be May 31, 2018.

"**Chain Legalization**" is the formality established by Peruvian/Singaporean law for foreign documents to be certified in lieu of the apostille. Chain Legalization includes the following steps: (i) signatures on the documents shall be certified by a notary; (ii) signature of the notary shall be

certified by the competent authority in Peru/Singapore (e.g. Peruvian Notary School or equivalent in Singapore); and (iii) the proper authorities at the corresponding consulate/embassy in Peru/Singapore shall certify the signature of such authority.

"**Class**" means the class notation referred to above.

"**Classification Society**" means the Classification Society referred to above.

"**Closing Date**" means April 23rd (or earlier of mutually agreed; or later if extended by the Buyer but in no event later than May 31, 2018) being the date of delivery of original versions of all the documents executed on the Execution Date including all formalities, as applicable in accordance with this Agreement, (legalizations, certifications, Chain Legalization, translations, etc.) stipulated in Clause 8, unless otherwise provided in Clause 8; which date shall be the same as the Delivery Date, and as a consequence of that, will be the date of the effective ownership transfer of the Vessels in favour of the Buyer.

"**Deposit**" means an amount equal to 100% of the Purchase Price.

"**Delivery Date**" means the date of physical delivery of the Vessels and all original documents listed in Clause 8, unless otherwise provided in Clause 8, no more than seven (7) Banking Days after the Execution Date. The Delivery Date shall be the same day as the Closing Date and as a consequence of that, will be the date of the effective ownership transfer of the Vessels in favour of the Buyer.

"**Delivery Port**" means in or around the port of Chimbote, Peru.

"**Escrow Agent**" means Development Specialists, Inc. which shall hold and release the Deposit in accordance with this Agreement.

"**Escrow Agreement**" means the escrow agreement dated March 21, 2018 between the Sellers, the Buyer and the Escrow Agent setting out the terms and conditions for payment and release of the Deposit. Such escrow agreement being signed by the Sellers, the Buyer and the Escrow Agent, Development Specialists, Inc.

"**Execution Date**" means the date (no later than April 16, 2018, unless extended by Buyer to a date no later than seven (7) Banking Days before the Closing Date designated by Buyer) of execution of all documents in the agreed languages as listed in Clause 8, but without the correspondent formalities referred to in the aforementioned definition of Closing Date, related to the transaction as provided in this Agreement and sent by email between the **Parties** (pdf version). The Buyer will be required to send the Sellers PDF evidence of an irrevocable wire transfer instruction to the Escrow Agent for the balance of the Purchase Price (i.e. the Purchase Price minus the Deposit) prior to the Sellers releasing any documents via email on the Execution Date.

"**Holdback Period**" means a period of the later to occur of (i) ninety (90) days from the Delivery Date and (ii) the date Seller has satisfied its obligations under Section 8(a)(ix) of this Agreement.

"**Holdback Amount**" is equal to \$680,000 (six-hundred eighty thousand United States Dollars) of the Purchase Price.

"**IUU**" means illegal, unreported and unregulated fishing.

"**Notice of Readiness**" means the document executed by Sellers confirming that the Vessels are at or around the Delivery Port and physically ready for delivery in accordance with this Agreement.

"**Parties**" means the Sellers and the Buyer.

"**Purchase Price**" means the price for the Vessels as stated in Clause 1 (*Purchase Price*).

"**In writing**" or "**written**" means a letter handed over from the Sellers to the Buyer or vice versa, a registered letter or e-mail.

1. Purchase Price

The purchase price for the each of the "Enterprise" and "Pacific Champion" is \$3,400,000 (three million four hundred thousand United States Dollars).

The Purchase Price for both Vessels is \$6,800,000.00 (six million eight hundred thousand United States Dollars).

2. Deposit and Payment

As security for the correct fulfilment of this Agreement the Buyer shall remit (or shall procure the remittance of) the Deposit to the Escrow Agent, for deposit by the Escrow Agent in an interest bearing account (if any interest obtainable) established for the Parties, within three (3) Banking Days after the later of the date that:

 this Agreement has been signed by the Buyer and provided in original or PDF by e-mail to the Sellers; and

 the Escrow Agreement is signed by the Parties in original or by email and the Escrow Agent has confirmed in writing to the Parties that the account has been opened.

The Deposit on placing with the Escrow Agent shall be held by the Escrow Agent in accordance with the Escrow Agreement and shall be released, less the Holdback Amount, on the Closing Date in accordance with the terms of the Escrow Agreement.

The Deposit shall be made in full and be free of bank charges.

Interest on the Deposit, if any, shall be credited to the Buyer. Any fee charged for holding and releasing the Deposit shall be borne equally by the Parties. The Parties shall provide to the Escrow Agent all necessary documentation to open and maintain the account without delay.

3. Holdback Amount

The Holdback Amount shall be retained by the Escrow Agent for the entirety of the Holdback Period. Upon expiration of the Holdback Period, and in fulfilment of the Buyer's payment obligations hereunder, the Parties shall cause the Holdback Amount to be paid to the Sellers' Account, less any and all amounts paid to the Buyer or third parties pursuant to Clause 9 (*Encumbrances*), such payment to be made by means of the Buyer and Sellers providing a signed copy of the letter of instruction in the form of Appendix A to the Escrow Agreement jointly instructing the Escrow Agent to release the Holdback Amount or any remaining balance (following the release of any amounts to the Buyer as aforesaid) to the Sellers. Each Party shall provide the other Party with bank transfer documents confirming that the relevant payments have been made/required.

Buyer's obligation to pay the Purchase Price is fulfilled upon providing the Escrow Agent with relevant letters of instruction to release the Holdback Amount upon the expiration of the Holdback Period and the Purchase Price, less the Holdback Amount, on the Closing Date.

Once the letters of instruction are received by the Escrow Agent from the Buyer, the Sellers will inform the Escrow Agent of the account details and any other information necessary for purposes of transferring the Holdback Amount and the Purchase Price to Sellers.

4. Inspection

The Buyer has inspected the Vessels, and accepted the Vessels' classification records and the sale is outright and definite, subject only to the terms and conditions of this Agreement and in particular to the provisions of Clauses 5(c), 7, 8(a) and 19 below.

5. Time, Delivery Port and Notice of Readiness

- (a) The Vessels shall be delivered and taken over at a safe and accessible berth or place within or around the Delivery Port in the Sellers' option.
- (b) The Sellers shall keep the Buyer well informed of the Vessels' itinerary and shall provide the Buyer with a written Notice of Readiness confirming that the Vessels are at or around the Delivery Port and physically ready for delivery in accordance with this Agreement on the Execution Date.

If the Sellers anticipate that, notwithstanding the exercise of due diligence by them, the Vessels will not be ready for delivery by the Cancelling Date they may notify the Buyer in writing stating the date when they anticipate that the Vessels will be ready for delivery and proposing a new Cancelling Date (hereinafter, the New Cancelling Date). Upon receipt of such notification the Buyer shall have the option of either cancelling this Agreement in accordance with Clause 14 (*Sellers' Default*) within three (3) Banking Days of receipt of the notice or of accepting the new date as the New Cancelling Date. If the Buyer has not declared its option within three (3) Banking Days of receipt of the Sellers' notification or if the Buyer

accepts the new date, the date proposed in the Sellers' notification shall be deemed to be the New Cancelling Date and shall be substituted for the Cancelling Date stipulated in Clause 5(c). If this Agreement is maintained with the new Cancelling Date, all other terms and conditions hereof including those contained in Clauses 5(b) and 5(d) shall remain unaltered and in full force and effect.

Cancellation, failure to cancel or acceptance of the New Cancelling Date shall be entirely without prejudice to any claim for damages the Buyer may have under Clause 14 (*Sellers' Default*) for the Vessels not being ready by the original Cancelling Date.

- (e) Should one Vessel become an actual, constructive or compromised total loss before delivery, fifty percent (50%) of the Deposit shall be released immediately to the Buyer, together with any and all interest thereon, and both Parties shall confirm such loss to the Escrow Agent in writing and shall cause the Escrow Agent to release fifty percent (50%) of the Deposit to the Buyer, whereupon this Agreement with respect to the Vessel that has become an actual, constructive or compromised total loss shall be null and void.

6. **[Reserved]**

7. **Spares, bunkers and other items**

The Sellers shall deliver the Vessels to the Buyer with everything on board. For the avoidance of doubt, the Vessels shall be delivered to the Buyer as inspected and without any removals. For the avoidance of doubt, the Purchase Price includes all spares, bunkers, appurtenances and other items (the "**Equipment**") that were onboard the Vessels as of the date when the Buyer or its representatives inspected the Vessels. No Equipment has been removed from the Vessels, except in the ordinary course of operating the Vessels consistent with their status as laid up.

8. **Documentation**

At the Execution Date: parties will exchange PDF versions of the documentation in this Clause 8 (unless otherwise provided), with simple English translations but without formalities except for the Bills of Sale and Commercial Invoice which will be delivered as provided in section 8 herein.

At the Closing Date: Originals of all documentation in this Clause 8 (unless otherwise provided) (in English or translated to English) will be delivered in Lima, Peru by the Parties.

- (a) At the Closing Date, the following documents shall be delivered from the Sellers to the Buyer as provided in this Clause 8 as follows:

- (i) Original Legal Bill of Sale

- (1) Three (3) duly signed, notarized and apostilled Original Legal Bills of Sale for each Vessel (in English) (together with such other claimants as reasonably requested by the Buyer to register the Vessels in the Buyer's Nominated Flag State) in a form recordable in the Buyer' Nominated Flag State, duly signed by the Sellers, indicating that the transfer of the ownership of the Vessels will occur at the Delivery Date and stating that the Vessels are free from all charters, taxes, claims, mortgages, encumbrances and maritime liens or any other debts duly notarized and apostilled;
- (ii) Original Legal Opinion of Sellers' Peruvian Counsel
 - (1) The original English language version of Sellers' Peruvian counsel's legal opinion attesting that the Sellers' representative is duly authorized to sign this Agreement, any affidavits provided pursuant to this Agreement, the Original Legal Bills of Sale, and any other documents that may be necessary related to this Agreement, duly notarized and apostilled;
- (iii) Corporate Governance Authority and Power of Attorney
 - (1) Copy of the Spanish and English versions of Seller's Shareholders Minutes stating that all necessary corporate, shareholder and other action have been taken by the Sellers to authorize the execution, delivery and performance of this Agreement (including Power of Attorney of the Sellers appointing one or more representatives to act on behalf of the Sellers in the performance of this Agreement, which shall be contained in the shareholders meeting resolution) and to sign and deliver any documents related to the sale of the Vessels to the Buyer, including the Bills of Sale and the Protocols of Delivery and Acceptance as per the terms of the this Agreement, duly notarized and apostilled;
- (iv) Evidence of Good Standing
 - (1) An original Spanish version of evidence of the Good Standing Certificate (*Certificado de Vigencia de Persona Jurídica*) issued not earlier than ten (10) Banking Days prior to the Execution Date, duly apostilled;
- (v) Evidence of Non-Encumbrances
 - (1) An original Spanish version of Certified Copy of Transcript of Registry (*Copia Literal de Partida*) issued not earlier than ten (10) Banking Days prior to the Execution Date, duly apostilled;
 - (2) An original Spanish version of the Ownership Certificate (*Compendioso de Dominio*) and Non Encumbrances Certificate

(Certificado Negativo de Gravámenes) which confirms the name of the owner of the Vessels and that the Vessels are free from registered encumbrances and mortgages, respectively, both documents issued not earlier than ten (10) Banking Days prior to the Execution Date, duly apostilled;

(vi) Declaration of Class

- (1) A copy of an English language version of the Declaration of Class or (depending on the Classification Society) a copy of the Class Maintenance Certificate confirming that the Vessels are free of condition/recommendation;

(vii) Commercial Invoice

- (1) An original of the Commercial Invoice for the Vessels, giving the Purchase Price and main particulars of the Vessels, in duplicate, as soon as the Seller's receives evidence that the order to the Escrow Agent to release the funds has been executed and delivered to the Escrow Agent;

(viii) Satellite Communications

- (1) A copy of a Spanish language version of Sellers' letter to their satellite communication provider requesting cancellation of the Vessels' communications contract;

(ix) Black Listing Affidavit and Deletion Certificate

- (1) An original English language version of the Sellers' letter of confirmation that to the best of their knowledge, the Vessels are not black listed by any nation or international organisation, and an undertaking that the Sellers will take reasonably necessary steps to effect deletion from each Vessel's registry forthwith;
- (2) A copy of the Spanish language petition evidencing commencement of the process for obtaining the deletion certificate shall be hand delivered to a representative of the Buyer in Lima, Perú, on the Closing Date;
- (3) Sellers will provide official evidence of deletion, duly apostilled, to the Buyer promptly following delivery of the Vessels and at the latest within 35 Banking Days following the Execution Date;

(x) Miscellaneous

- (1) Evidence that Sellers are not enjoined from proceeding with the sale of the Vessels on the Closing Date.

- (2) Such other documents as the Buyer may reasonably request, and which the Seller can be reasonably expected to provide including by taking into consideration the time necessary to obtain any such documents, to give effect to the transactions contemplated by this Agreement.
- (b) At the Closing Date, the following documents (in English or translated to English), unless otherwise provided in this Clause 8, shall be delivered by the Buyer to the Sellers with all the formalities as follows:
- (i) Power of Attorney of the Buyer or comparable evidence of authority under Singapore law, with Chain Legalization, in respect of those individuals authorized on behalf of the Buyer to execute this Agreement and any Addenda thereto, the Escrow Agreement and any amendments, the Protocols of Delivery and Acceptance, acceptance of the Bills of Sale, execute any release letters or payment instructions or other instructions in connection with the payment of the purchase price, taking delivery of all documents listed in Clause 8 and any other document provided in this Agreement and taking physical delivery of the Vessels with Official English Translation;
 - (ii) A Biz File Extract from Singapore counsel to the Buyer (with Chain Legalization, and with Official English Translation) issued not earlier than seven (7) days prior to the Execution Date;
 - (iii) Written Resolutions of the sole director of the Buyer approving purchase of the Vessels from the Sellers and granting power of attorney or comparable evidence of authority under Singapore law to authorized representative(s) of the Buyer to execute this Agreement, and to sign and deliver any documents related to the purchase of the Vessels by the Buyer including the Bills of Sale and the Protocols of Delivery and Acceptance as per the terms of this Agreement, and evidence of Power of Attorney or comparable evidence of authority under Singapore law of the Buyer appointing one or more representatives with faculties to act on behalf of the Buyer in the subscription of the corresponding Public Deed in Perú and any other private and/or public documents which may be necessary to execute this Agreement, with Chain Legalization, and with Official English Translation;
 - (iv) Passport copies of authorized persons or persons as Attorneys-in-Fact of the Buyer to execute the transaction with English translation;
 - (v) Evidence of a certification or affidavit of a representative of the Buyer referencing that the grantor of the power is duly authorized in accordance with the bylaws of the Buyer; duly signed by the Buyer in English;

- (vi) A copy of English written instruction to the Escrow Agent directing the Escrow Agent to release the Deposit to the Sellers as of the Closing Date; and
 - (vii) Three (3) identical Purchase and Sale Agreements for Enterprise and Pacific Champion (in English or with English translation) duly signed by each representative of the Parties in Lima, Peru whose signatures are simultaneously legalized before a Lima Public Notary.
- (c) On the Closing Date, Sellers shall provide the Buyer with an affidavit from the Sellers' representative that to the best of his knowledge all relevant documents, including but not limited to those listed on Schedule 8(c) (i.e. classification certificate(s), international tonnage certificate(s)), as well as all plans, drawings and manuals (excluding ISM/ISPS manuals) on board the Vessels as of the date the Buyer inspected the Vessels remain on board the Vessels.
 - (d) Other technical documentation which may be in the Sellers' possession shall promptly after delivery be forwarded to the Buyer at its expense, if they so request.
 - (e) The Parties shall sign and deliver to each other two (2) original of Spanish and English language versions of the Protocols of Delivery and Acceptance for each Vessel, respectively, with signatures duly legalised by a Public Notary in Lima, confirming the date and time of delivery of the Vessels from the Sellers to the Buyer including that, as a result of the delivery of the Vessels has occurred the transfer of ownership of the Vessels from the Sellers to the Buyer.

The Buyer's representative shall hand deliver the two (2) original Protocols of Delivery (one for each Vessel) to the Sellers on the Closing Date with the formalities requested by the Sellers in writing prior to signing of this Agreement by the Buyer.

9. Encumbrances

- (a) The Sellers hereby represent and warrant that the Vessels, at the time of delivery, are free from any and all charters, encumbrances, mortgages, maritime claims and maritime liens or any other debts whatsoever, and are not subject to Port State or other administrative detentions or fines or penalties including under the relevant IUU regulations, and any costs associated with the Vessels being laid up, have been paid in full up to the time of delivery.
- (b) Subsequent to the delivery of the Vessels, the Sellers shall indemnify and hold the Buyer harmless from and against any claim, demand, action, proceeding, judgment, award, fine, liability, loss, cost, tax and expense, including reasonable attorneys' fees (collectively, "**Losses**" and individually, a "**Loss**") that is made or brought against the Buyer or the Vessels, or that the Buyer or the Vessels suffer as a result of (x) any breach or inaccuracy of the representations and warranties in Clause 9(a) and (y) any liability or loss in connection with any other claims or

maritime liens that arose or accrued prior to delivery of the Vessels that are asserted against the Vessels, provided that, the Sellers are only obligated to indemnify the Buyer for Losses that are asserted within one (1) year of delivery of the Vessels up to a maximum amount of USD \$680,000. For the avoidance of doubt, any such claim of Loss that is first asserted within one (1) year of delivery shall be subject to indemnity under this Clause 9 regardless of whether it is liquidated thereafter.

- (i) In the event that the Buyer intend to make a claim under Clause 9(b) to be indemnified by the Sellers hereunder that does not involve a Third Party Claim (as defined below), the Buyer shall promptly send to the Sellers a written notice specifying the nature of such claim or demand, to the extent it is known, and the amount or estimated amount (which estimate shall not be conclusive of the final amount of such claim and demand) of such claim or demand, together with copies of the relevant documents in their possession (a "**Claim Notice**"), provided, however, that any failure to furnish such Claim Notice shall not relieve the Sellers from any liability or obligation hereunder.
 - (ii) In the event of a Claim Notice, the amount of which (x) is undisputed by the Buyer, (y) was disputed but as to which (A) a final non appealable decision has been rendered or (B) an agreement has been reached between the Buyer and the Sellers, such amount shall, subject to the terms and conditions of this Clause 9, conclusively be deemed a liability of the Sellers hereunder.
- (c) The obligations and liabilities of the Buyer with respect to Losses resulting from the assertion of liability by third parties (each such obligation and liability, a "**Third Party Claim**") shall be subject to the following terms and conditions:
- (i) The Buyer shall promptly give written notice to the Sellers of any Third Party Claim that might give rise to any Loss by the Buyer, stating the nature and basis of such Third Party Claim, and the amount thereof to the extent known. Such notice shall be accompanied by copies of all relevant material documentation in the possession of the Buyer with respect to such Third Party Claim, including any summons, complaint or other pleading that may have been served, any written demand or any other material document or instrument, provided, however, that any failure to furnish notice of such Third Party Claim shall not relieve the Sellers from any liability or obligation hereunder.
 - (ii) From and after receipt of notice of a Third Party Claim pursuant to Clause 9(c)(i), the Sellers shall have the right to assume and conduct, at the Sellers' own expense, the defense against the Third Party Claim in the Sellers' own name or in the name of the Buyer with counsel reasonably acceptable to the Buyer. Buyer shall have the right to employ separate counsel in any such Third Party Claim or to participate in the defense

thereof, but the fees and expenses of such counsel shall not be included as part of any Loss incurred by the Buyer and shall not be payable by the Sellers; provided, however, that if the representation of the Buyer by the same counsel as the Sellers would be inappropriate under applicable standards of professional conduct, the Buyer shall be entitled to appoint one separate counsel for such claims and defenses, at the reasonable cost and expense of the Sellers. The party or parties conducting the defense of any Third Party Claim shall keep the other parties apprised of all significant developments with respect thereto and shall not enter into any settlement, compromise or consent to judgment with respect to such Third Party Claim without the prior consent of the other parties thereto, such consent not to be unreasonably withheld, delayed or conditioned; provided, however, that the Sellers shall be entitled to settle, compromise or consent to a judgment without the consent of the Buyer with respect to a Third Party Claim that only imposes monetary obligations and in circumstances where the Buyer and the Vessels are furnished a full and unconditional release. The Buyer shall make available all information and assistance for the defense of the Third Party Claim as the Sellers may reasonably request and shall cooperate reasonably with the Sellers in such defense.

- (d) Except in connection with Third Party Claims, the Buyer waives any right to recover indirect, consequential, special, exemplary or punitive damages and the Buyer agrees that such damages are not included in the definition of "Losses".
- (e) The Buyer shall use commercially reasonable efforts to mitigate all Losses upon becoming aware of any event or circumstance that could reasonably be expected to give rise to any Losses that are indemnifiable under this Clause 9.
- (f) Without limiting the Sellers' indemnity obligations hereunder, it is hereby agreed that the Escrow Agent shall continue to hold and maintain the Holdback Amount for the Holdback Period as security for such indemnity obligations hereunder. If no claims have been asserted during the Holdback Period, the Holdback Amount shall be released to the Sellers upon expiration thereof. If any undisputed claims are asserted (as aforesaid) during the Holdback Period, the undisputed amount claimed shall be released by the Escrow Agent to the Buyer to enable payment, reimbursement or settlement of the same. The balance of the Holdback Amount, less any amounts released to the Buyer as aforesaid, shall be released by the Escrow Agent to the Sellers upon expiration of the Holdback Period. Further, if any monies released to the Buyer to cover any claims are not required to meet those claims then such monies shall be paid by the Buyer to the Sellers as soon as it is clear they are not required. The Buyer and Sellers hereby irrevocably and unconditionally agree to sign and deliver to the Escrow Agent any joint instruction letters as may be required to give effect to the provisions of this clause.

10. Taxes, fees and expenses

Any taxes, fees and expenses in connection with the purchase and registration in the Buyer's Nominated Flag State shall be for the Buyer's account, whereas similar charges in connection with the closing of the Sellers' register shall be for the Sellers' account.

11. Condition on Delivery Date

The Vessels and all items belonging to them shall be at the Sellers' risk and expense until they are delivered to the Buyer, subject to the terms and conditions of this Agreement. After the Vessels have been delivered to the Buyer, all inspections and assistance with transporting the Vessels are borne by the Buyer. The Vessels shall be delivered with reasonably swept holds, provided, that Sellers shall have the option to pay to the Buyer the total amount of \$2,500 (two thousand five hundred United States Dollars) in lieu thereof.

12. Name/Markings

Upon delivery the Buyer undertakes to change the name of the Vessels and alter funnel markings.

13. Buyer's Default

Should the Deposit not be lodged in accordance with Clause 2 (*Deposit*), the Sellers have the right to cancel this Agreement, and they shall be entitled to claim compensation for their losses and for all expenses incurred together with interest. If the Deposit does not cover their loss, the Sellers shall be entitled to claim further compensation for their proven losses and for all expenses incurred together with interest from the Buyer.

14. Sellers' Default

Should the Sellers fail to give Notice of Readiness in accordance with Clause 5(b) or fail to be ready to validly complete a legal transfer by the Cancelling Date or if Notice of Readiness is given and the Sellers are not in a position to deliver within three (3) Banking Days of such Notice of Readiness including the documentation required in Clause 8 from the Seller, the Buyer shall have the option of cancelling this Agreement. If after Notice of Readiness has been given but before the Buyer have taken delivery, the Vessels cease to be physically ready for delivery and is not made physically ready again by the New Cancelling Date in accordance with Clause 5(c), the Buyer shall retain its option to cancel. In the event that the Buyer elects to cancel this Agreement, the Deposit together with interest earned, if any, shall be released to the Buyer immediately, and for the avoidance of doubt, the return of the Deposit shall be the Buyer' exclusive remedy in the event of the Sellers' default. The impossibility of delivering the Vessels on the Cancelling Date will cause the termination of this agreement with no liability of the Buyer to the Sellers.

15. Buyer's Representatives and Interim Work

After this Agreement has been signed by the Buyer and the Deposit has been lodged, the Buyer has the right to place six (6) representatives on board the Vessels at their sole risk and expense during daytime hours only. These representatives are on board for the purpose of familiarisation and in the capacity of observers only, and they shall not interfere in any respect with the operation of the Vessels, provided, however, that the Buyer shall have the right to perform certain reasonable repairs to the Vessels at the Buyer's sole expense, after the Deposit has been paid to the Escrow Account. The Buyer shall procure adequate insurance in order to gain access to the Vessels prior to towing the Vessels, to the extent necessary, or to performing repairs on the Vessels. For the avoidance of doubt, all towage, insurance, and repair expenses are at the Buyer's sole expense. Further, the Buyer shall have no right to reimbursement of such expenses (including insurance, towage, and repair costs) even if the Sellers do not sign this Agreement or are unable to otherwise close this transaction.

16. Law

This Agreement and any non-contractual obligations arising out of or in connection with it is governed by and construed in accordance with New York law.

Any dispute arising out of or in connection with this Agreement shall be referred to arbitration before a panel of three (3) persons in New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgment may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.

In cases where neither the claim nor any counterclaim exceeds the sum of US\$100,000 the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc.

The cost of the arbitration proceeding and any proceeding in court to confirm or to vacate any arbitration award, as applicable (including, without limitation, reasonable attorneys' fees and costs), shall be borne by the unsuccessful party, as determined by the arbitrators, and shall be awarded as part of the arbitrator's award.

17. Notices

All notices to be provided under this Agreement shall be in writing.

Contact details for recipients of notices are as follows:

For the Buyer: alexxpatriot@gmail.com

For the Sellers: fpaniagua@copeinca.com.pe

18. Entire Agreement

The written terms of this Agreement including those under Clause 19 through 23 hereunder and any appendices hereto comprise the entire agreement between the Buyer and the Sellers in relation to the sale and purchase of the Vessels and supersede all previous agreements whether oral or written between the Parties in relation thereto. This Agreement can be amended, modified or supplemented only in a writing executed by duly authorized representatives of the Buyer and Sellers, respectively.

Each of the Parties acknowledges that in entering into this Agreement it has not relied on and shall have no right or remedy in respect of any statement, representation, assurance or warranty (whether or not made negligently) other than as is expressly set out in this Agreement. Any terms implied into this Agreement by any applicable statute or law are hereby excluded to the extent that such exclusion can legally be made. Nothing in this Clause shall limit or exclude any liability for fraud.

Clauses 19 through Clause 23 form an integrated part of this Agreement.

19. Conditions

- (a) The sale as agreed in this Agreement is subject to, including the obligations of the Seller conditioned on this Agreement, Sellers' approval to be agreed on at a shareholders meeting. This condition must be lifted soonest possible, but no later than April 17, 2018, unless otherwise agreed to by the Parties. Upon their signing of the Agreement, the Sellers shall make prompt application to the relevant governmental authorities for the issuance of a Certificate of Deletion for the Vessels. If such application is not made by April 17, 2018 the Buyer shall have the right to terminate this Agreement and obtain all funds on deposit with the Escrow Agent.
- (b) Notwithstanding any other provision of this Agreement, the Buyer shall be entitled to reject the Vessels at any time prior to delivery if she is discovered to have been involved in any illegal, unreported and unregulated fishing activity or is in contravention of CCAMLR, NEFAC, NAFO, FAO, ICCAT, IOTC, NASCO or similar regulations in respect of the same.
- (c) The sale as agreed in this Agreement is subject to there being no injunction enjoining the sale by any court as of the Closing Date.

20. Class Certificates

- (a) The Buyer are aware of each Vessel's class status as being laid up, and that each Vessel's class certificate expired in 2017. However, the class certificate may be renewed at any time.
- (b) The Buyer have been given a class status report and are aware of other class surveys being due or overdue.

21. Language of the Agreement

- (a) This Agreement is made in English.
- (b) All documents between the Parties, including all documents in Clause 8 of this Agreement, shall be made in accordance with the language and formalities agreed in this Agreement.

22. Execution of the Agreement

- (a) This Agreement shall be executed by the Parties and exchanged in PDF format to the e-mail addresses listed in Clause 17 of this Agreement prior to the Execution Date.
- (b) The Parties shall also exchange original executed copies of this Agreement in person on the Closing Date in Lima, Peru with formalities as provided in clause 8.

23. Representation of the Sellers

The Sellers hereby represent and warrant that the sale of either Vessel pursuant to this Agreement does not constitute an "Asset Sale" as the term is defined under that certain Indenture Agreement, dated July 30, 2012 (the "**Indenture**"), evidencing the US\$300,000,000 senior notes (the "**Senior Notes**") due and payable 2019, among CFG Investment S.A.C. as the company, China Fishery Group Limited, as the parent guarantor, and TMF Trustee Limited, as the indenture trustee because each Vessel is an asset that is worn-out, obsolete and/or is not suitable for use in connection with the Sellers' business.

Schedule 8(c)

Onboard but Overdue

- International Tonnage Certificate
- International Load Line Certificate
- Fishing Vessel Safety Certificate
- International Oil Pollution Prevention Certificate
- Garbage Pollution Prevention Certificate
- Saving Certificates for Life Saving and Fire Fighters Equipment

Onboard

- Continuous Log
- Trim and Stability Booklet
- Fire Plan

Not Onboard

- Garbage Plan

Not Applicable in Peru

- International Air Pollution Prevention Certificate
- International Energy Efficiency Certificate
- International Anti Fouling System Certificate