

Hearing Date: October 25, 2016 at 2:00 p.m. (NY Time)
Objection Deadline: October 18, 2016 at 4:00 p.m. (NY Time)

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
CHINA FISHERY GROUP LIMITED (CAYMAN), et al.,¹	Case No. 16-11895 (JLG)
Debtors.	Jointly Administered

**DEBTORS' MOTION FOR AN ORDER PURSUANT
TO 11 U.S.C. §§ 105(A), 327(A), 328 AND 363 (I) AUTHORIZING
THE PRIVATE SALE OF GOLF CLUB MEMBERSHIP *NUNC
PRO TUNC* TO AUGUST 25, 2016, (II) APPROVING THE TERMS OF
THE SALE, (III) AUTHORIZING THE EMPLOYMENT,
RETENTION OF AND PAYMENT TO EVERFINE MEMBERSHIP
SERVICES LIMITED, AS BROKER, *NUNC PRO TUNC* TO
JUNE 30, 2016, AND (IV) GRANTING RELATED RELIEF**

¹ The Debtors are China Fishery Group Limited (Cayman) ("CFGL"), Pacific Andes International Holdings Limited (Bermuda) ("PAIH"), N.S. Hong Investment (BVI) Limited ("NS Hong"), South Pacific Shipping Agency Limited (BVI) ("SPSA"), China Fisheries International Limited (Samoa) ("CFIL"), CFGL (Singapore) Private Limited ("CFGLPL"), Chanery Investment Inc. (BVI) ("Chanery"), Champion Maritime Limited (BVI) ("Champion"), Growing Management Limited (BVI) ("Growing Management"), Target Shipping Limited (HK) ("Target Shipping"), Fortress Agents Limited (BVI) ("Fortress"), Ocean Expert International Limited (BVI) ("Ocean Expert"), Protein Trading Limited (Samoa) ("Protein Trading"), CFG Peru Investments Pte. Limited (Singapore) ("CFG Peru Singapore"), Smart Group Limited (Cayman) ("Smart Group"), and Super Investment Limited (Cayman) ("Super Investment").

TO THE HONORABLE JUDGE JAMES L. GARRITY
UNITED STATES BANKRUPTCY JUDGE:

China Fishery Group Limited (Cayman) ("**China Fishery**"), and certain of its affiliated debtors and debtors-in-possession (collectively, the "**Debtors**"), hereby submit this motion (the "**Motion**") for an entry of an order, substantially in the form attached hereto as **Exhibit 1** (the "**Proposed Sale Order**"), pursuant to 11 U.S.C. §§ 105(a), 327, 328 and 363 (a) approving the private sale of a golf club membership *nunc pro tunc* to August 25, 2016, (b) approving the terms of the sale, (c) authorizing the employment, retention of and payment to Everfine Membership Services Limited, as broker, *nunc pro tunc* to June 30, 2016, and (d) granting related relief.

In support of this Motion, the Debtors rely upon the *Declaration of Ng Puay Yee (Jessie)* sworn to on September 30, 2016 (the "**Ng Declaration**") and the *Declaration of Chan Wai Hung* sworn to on September 30, 2016 (the "**Chan Declaration**") and incorporated herein by reference, and respectfully state as follows:

JURISDICTION AND VENUE

1. The United States Bankruptcy Court for the Southern District of New York (the "**Court**") has jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b).
2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The statutory predicates for relief requested are sections 105(a), 327, 328 and 363 of title 11 of the United States Code (the "**Bankruptcy Code**") and Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**").

BACKGROUND

4. On June 30, 2016 (the “**Petition Date**”), each of the Debtors filed with the Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors’ cases have been consolidated for procedural purposes only and are being jointly administered under case number 16-11895 (JLG).

5. To date, no creditors’ committee has been appointed in these chapter 11 cases by the Office of the United States Trustee for the Southern District of New York (the “**U.S. Trustee**”).

6. The Debtors, along with certain non-Debtor affiliated entities, are part of a corporate family known as the Pacific Andes Group, which is one of the world’s foremost vertically integrated seafood companies. The Pacific Andes Group provides seafood products to leading global wholesalers, processors and food service companies and has operations across the seafood value chain.

7. On August 9, 2016, certain of the Debtors’ creditors filed a *Motion For The Entry Of An Order Directing The Appointment Of A Chapter 11 Trustee Pursuant To 11 U.S.C. § 1104(a)(2)* [ECF Doc. No. 57]. The Trustee Motion was opposed by the Debtors and several creditors, and is now *sub judice*.

8. Additional information regarding the Debtors’ history and operations, its capital structure, and the events leading up to the commencement of these chapter 11 cases can be found in the *Declaration of Ng Puay Yee Pursuant to Rule 1007-2 of the Local Bankruptcy Rules for*

the Southern District of New York and In Support of Debtors' First Day Motions and Applications [ECF Doc. No. 2] filed on June 30, 2016.

FACTS SPECIFIC TO THE REQUESTED RELIEF

9. Pacific Andes International Holdings Limited (Bermuda) (“**PAIH**”), a debtor, owns memberships to The Hong Kong Golf Club (the “**Golf Club**”). (See PAIH Schedule A/B; Case No. 16-11890 (JLG), ECF Doc. No. 15). One of those memberships is a corporate membership memorialized by Certificate No. 0936 (the “**Golf Club Membership**”). There is a monthly subscription fee of HK\$2,840 (or approximately US\$366.27)² associated with the Golf Club Membership. (See Ng Declaration, ¶ 4).

10. Prior to the Petition Date, PAIH entered into an agreement, dated April 26, 2016 (“**April 2016 Agreement**”), with potential purchaser Biel Crystal (HK) Manufactory Limited (the “**Initial Purchaser**”) to sell the Golf Club Membership for HK\$15,000,000.00 (or approximately USD\$1,934,547.90), inclusive of a transfer fee payable to the Golf Club of HK\$3,200,000 (or approximately USD\$412,703.55). (See Ng Declaration, ¶¶ 4-5). A copy of the April 2016 Agreement is attached to the Ng Declaration as **Exhibit A**. Accordingly, the net sum to be received by PAIH upon the sale closing was HK\$11,800,000 (or approximately USD\$1,521,844.35). (See Ng Declaration, ¶ 5, Ex. A).

11. The April 2016 Agreement states that the Golf Club Membership was to be purchased “free and clear of all charges, mortgages, liens, encumbrances, equities and claims of any kind.” (See Ng Declaration, ¶ 6, Ex. A). There are no liens, claims or encumbrances on the Golf Club Membership. (See Ng Declaration, ¶ 6).

² All conversion calculations are performed for the convenience of the Court as of September 28, 2016 at a rate of HK\$1 = US\$0.13.

12. The sale was brokered by Everfine Membership Services Limited (“**Everfine**” or “**Broker**”) which is a Hong Kong-based regional operation specializing in providing brokerage services for the sale, rental and purchase of golf and country club, social club, marina and yacht club memberships, including memberships in the Golf Club. (See Ng Declaration, ¶ 7). A copy of a sale confirmation agreement entered into by PAIH and Everfine, as broker agent, dated April 25, 2016 (the “**Confirmation Agreement**”), is attached to the Ng Declaration as **Exhibit B**.

13. The Confirmation Agreement required the transfer of the Golf Club Membership to be completed within three (3) months of the date of the Confirmation Agreement and was subject to approval by the Golf Club. (See Ng Declaration, ¶ 7, Exs. A-B). A 1% service fee (or HK\$150,000 which is approximately US\$19,345.48) was to be paid by PAIH to Everfine upon completion of the transfer of the Golf Club Membership. (See Ng Declaration, ¶ 7, Ex. B). The 1% service fee is Everfine’s usual and customary fee for providing brokerage services. (See Chan Declaration, ¶ 8). Accordingly, after closing of the sale and payment of the 1% service fee, the net payment to PAIH would be HK\$11,650,000 (or approximately US\$1,502,498.87). (See Ng Declaration, ¶ 7).

14. Prior to PAIH entering into the Confirmation Agreement and the April 2016 Agreement, PAIH contacted several other brokers to sell the Golf Club Membership. (See Ng Declaration, ¶ 8). In addition to Everfine, PAIH contacted Sakura Membership Services Limited (“**Sakura**”) and Noblesse Membership Service Limited (“**Noblesse**”) and obtained three (3) proposed sale confirmation agreements for a corporate membership with the Golf Club. (See Ng Declaration, ¶ 8). Copies of the three (3) proposed sale confirmation agreements are attached to the Ng Declaration as **Exhibit C**.

15. Sakura proposed a sale of a golf club membership for HK\$14,000,000 (or, approximately US\$1,805,578.04), inclusive of a transfer fee payable to the Golf Club of HK\$3,200,000 (or approximately US\$412,703.55) and a 1% service fee of the total consideration with 10% discount which was HK\$126,000 (or approximately US\$16,250.20). (See Ng Declaration, ¶ 9, Ex. C). A sale of the Golf Club Membership through Sakura would result in net payment to PAIH of HK\$10,674,000 (or approximately US\$1,276,624.29). (See Ng Declaration, ¶ 9, Ex. C).

16. The first proposed sale confirmation offered by Noblesse, dated March 11, 2016, was for HK\$14,700,000 (or approximately US\$1,895,856.94), including a transfer fee payable to the Golf Club of HK\$3,200,000 (or approximately US\$412,703.55) and 1% commission to Noblesse of HK\$147,000 (or approximately US\$18,958.57). (See Ng Declaration, ¶ 10, Ex. C). Based on this offer, a sale of the Golf Club Membership through Noblesse would result in net payment to PAIH of HK\$11,353,000 (or approximately US\$1,464,194.82). (See Ng Declaration, ¶ 10, Ex. C).

17. The second proposed sale confirmation offered by Noblesse, dated April 1, 2016, was for HK\$14,300,000 (or approximately US\$1,844,269), including a transfer fee payable to the Golf Club of HK\$3,200,000 (or approximately US\$412,703.55) and 1% commission to Noblesse of HK\$143,000 (or approximately US\$18,442.69). (See Ng Declaration, ¶ 11, Ex. C). Based on this offer, a sale of the Golf Club Membership through Noblesse would result in net payment to PAIH of HK\$10,957,000 (or approximately US\$1,413,122.76). (See Ng Declaration, ¶ 11, Ex. C).

18. Based on information obtained from Everfine, a second-hand membership in a golf club, such as the Golf Club Membership, costs HK\$15,000,000 (or approximately

USD\$1,934,547.90). (See Ng Declaration, ¶ 12). A copy of a printout from the website for Everfine Membership Services Ltd. indicating that second-hand membership in the Golf Club is priced at HK\$15,000,000.00 (or approximately USD\$1,934,049.25) is attached to the Ng Declaration as **Exhibit D**.

19. In light of the above offers for the Golf Club Membership, PAIH decided to enter into the Confirmation Agreement with Everfine and the April 2016 Agreement with the Initial Purchaser as the best and highest offer for the Golf Club Membership. (See Ng Declaration, ¶ 13).

20. As required by the April 2016 Agreement, the Initial Purchaser and PAIH informed the Golf Club of the proposed transfer of the Golf Club Membership and sought the Golf Club's approval for the transfer. (See Ng Declaration, ¶ 15). Copies of the April 27, 2016 and April 29, 2016 letters seeking the Golf Club's approval are attached to the Ng Declaration as **Exhibit E** and **Exhibit F**, respectively. By letter dated July 7, 2016, the Golf Club requested that the Initial Purchaser submit another application using a financial entity that is registered in Hong Kong with more significant assets and/or trading history together with the requisite financial information. (See Ng Declaration, ¶ 16). A copy of the July 7, 2016 letter is attached to the Ng Declaration as **Exhibit G**.

21. Accordingly, on or about July 12, 2016, the parties re-executed a sale and purchase agreement for the Golf Club Membership (the "**July 2016 Agreement**") on the same terms and conditions as the April 2016 Agreement with purchaser Biel Crystal Manufactory Limited (the "**Purchaser**"), a company related to the Initial Purchaser. (See Ng Declaration, ¶ 17). A copy of the July 2016 Agreement is attached to the Ng Declaration as **Exhibit H**. The parties then entered into an amendment to the July 2016 Agreement dated August 18, 2016 (the

“**Amendment**”). (See Ng Declaration, ¶ 18). A copy of the Amendment is attached to the Ng Declaration as **Exhibit I**. Pursuant to the Amendment, the consideration was increased to HK\$15,100,000.00 (or approximately USD\$1,947,444.89) which included a transfer fee payable to Golf Club of HK\$3,300,000 (or approximately USD\$425,600.54). (See Ng Declaration, ¶ 18, Ex. I). The net sum to be received by PAIH upon the transfer remained, as under the April 2016 Agreement, HK\$11,800,000 (or approximately USD\$1,521,844.35). (See Ng Declaration, ¶ 18, Ex. I). Notwithstanding the increase in purchase price, the service fee due to Everfine remained at HK\$150,000 (or approximately US\$19,345.48). (See Ng Declaration, ¶ 18).

22. By letters dated August 18, 2016, the Purchaser and PAIH informed the Golf Club of the proposed transfer of the Golf Club Membership and sought the Golf Club’s approval for the transfer. (See Ng Declaration, ¶ 20). Copies of the August 18, 2016 letters are attached to the Ng Declaration as **Exhibit J**.

23. By letter dated August 19, 2016, the Golf Club notified the Purchaser of the approval of the transfer of the Golf Club Membership upon terms and conditions agreed to by the parties. (See Ng Declaration, ¶ 21). A copy of the August 19, 2016 letter is attached to the Ng Declaration as **Exhibit K**.

24. By check dated August 25, 2016, the Purchaser paid HK\$15,100,000 (or approximately USD\$1,947,444.89) to the Golf Club and, in turn, the Golf Club issued a check to PAIH in the amount of HK\$11,800,000 (or approximately USD\$1,521,844.35) dated September 3, 2016. (See Ng Declaration, ¶ 22). Copies of both checks are attached to the Ng Declaration as **Exhibit L**. The monies received by the Debtors from the sale of the Golf Club Membership are currently being held by the Debtors pending outcome of this Motion. (See Ng Declaration, ¶ 24). The proposed sale was disclosed to bankruptcy counsel in connection with preparation for

the section 341 meeting and the proposed sale was disclosed during that meeting on September 21, 2016.

25. Prior to this transaction, the Debtors had no relationship with the Initial Purchaser nor the eventual Purchaser, nor had the Debtors previously conducted business with either the Initial Purchaser or the eventual Purchaser. (See Ng Declaration, ¶ 14). PAIH was, at all times, seeking to maximize the return on the Golf Club Membership and engaged in good-faith, arm's length negotiations with the brokers, including Everfine, the Initial Purchaser and the eventual Purchaser. (See Ng Declaration, ¶ 14). Likewise, the Debtors believe that the brokers, including Everfine, the Initial Purchaser and the eventual Purchaser engaged with PAIH in good-faith and at arm's length. (See Ng Declaration, ¶ 14).

RELIEF REQUESTED

26. By this Motion, the Debtors request entry of the Proposed Order, pursuant to sections 105(a), 327, 328 and 363 of the Bankruptcy Code, and Bankruptcy Rules 2002 and 6004, (a) approving the private sale of the Golf Club Membership *nunc pro tunc* to August 25, 2016, (b) approving the terms of the sale, (c) authorizing the employment, retention of and payment to Everfine, as broker, *nunc pro tunc* to June 30, 2016, and (d) granting related relief.

27. For the reasons explained below and throughout this Motion, the Debtors believe that the approval of the private sale of the Golf Club Membership to the Purchaser under the sale terms outlined above, and pursuant to the July 2016 Agreement and the Amendment, is appropriate.

BASIS FOR RELIEF

A. Legal Standards for Approval of Private Sale of Assets

28. Section 363(b) of the Bankruptcy Code governs transactions outside the ordinary course of business involving property of the debtors' estate. That section provides, in relevant part, that "[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). Section 105(a) of the Bankruptcy Code provides, in relevant part, that: "[t]he Court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). In pertinent part, Bankruptcy Rule 6004 states that, "[a]ll sales not in the ordinary course of business may be by private sale or by public auction." Fed. R. Bankr. P. 6004(f)(1). With respect to the notice required in connection with a private sale, Bankruptcy Rule 2002(c)(1) states, in pertinent part, that,

the notice of a proposed use, sale or lease of property . . . shall include . . . the terms and conditions of any private sale and the deadline for filing objections. The notice of a proposed use, sale or lease of property, including real estate, is sufficient if it generally describes the property.

Fed. R. Bankr. P. 2002(c)(1).

29. Under applicable case law, a transaction must represent a reasonable exercise of business judgment on the part of the debtor in possession to be approved under section 363(b) of the Bankruptcy Code. *See, e.g., Official Comm. of Unsecured Creditors of LTV Aerospace and Defense Co. v. LTV Corp. (In re Chateaugay Corp.)*, 973 F.2d 141 (2d Cir. 1992); *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063 (2d Cir. 1983); *In re MF Global Inc.*, 535 B.R. 596, 605 (Bankr. S.D.N.Y. 2015) ("In approving a transaction conducted pursuant to section 363(b)(1), courts consider whether the trustee exercised sound business judgment.").

30. Generally, courts have applied four (4) factors in determining whether a sale of a debtor's assets should be approved: (a) whether a sound business reason exists for the proposed transaction; (b) whether fair and reasonable consideration is provided; (c) whether the transaction has been proposed and negotiated in good faith; and (d) whether adequate and reasonable notice is provided. *See In re Lionel Corp.*, 722 F.2d at 1071 (setting forth the "sound business reason" test); *In re Abbotts Diaries of Pennsylvania, Inc.*, 788 F.2d 143, 145-57 (3d Cir. 1986) (implicitly adopting the articulated business justification test and adding the "good faith" requirement); *In re Delaware & Hudson Ry. Co.*, 124 B.R. 169, 176 (D. Del. 1991) ("Once a court is satisfied that there is a sound business reason or an emergency justifying the pre-confirmation sale the court must also determine that the trustee has provided the interested parties with adequate and reasonable notice, that the sale price is fair and reasonable and that the purchaser is proceeding in good faith.").

31. This fundamental analysis does not change if the proposed sale is private, rather than public. As noted above, Bankruptcy Rule 6004(f)(1) expressly provides for sales by "private sale," Fed. R. Bankr. P. 6004(f)(1), and courts often allow a chapter 11 debtor to sell assets outside the ordinary course of business by private sale when the debtor demonstrates that the sale is permissible pursuant to section 363(b) of the Bankruptcy Code. *See, e.g., Palermo v. Pritam Realty, Inc. (In re Pritam Realty, Inc.)*, 233 B.R. 619 (D.P.R. 1999) (upholding the bankruptcy court's approval of a private sale conducted by a chapter 11 debtor); *In re Condere Corp.*, 228 B.R. 615 (Bankr. S.D. Miss. 1998) (approving a private sale of a chapter 11 debtor's assets where the standards of section 363(b) were met); *In re Wieboldt Stores, Inc.*, 92 B.R. 309 (N.D. Ill. 1988) (affirming the right of a chapter 11 debtor to transfer assets by private sale); *In re Ancor Exploration Co.*, 30 B.R. 802, 808 (Bankr. N.D. Okla. 1983) ("[T]he bankruptcy court

should have wide latitude in approving even a private sale of all or substantially all of the estate assets not in the ordinary course of business under § 363(b).”). The bankruptcy court “has ample discretion to administer the estate, including authority to conduct public or private sales of estate property.” *In re WPRV-TV, Inc.*, 143 B.R. 315, 319 (D. P.R. 1991), *vacated on other grounds*, 165 B.R. 1 (D. P.R. 1992). *See also In re Canyon P’ship*, 55 B.R. 520, 524 (Bankr. S.D. Cal. 1985).

32. In addition, section 105(a) of the Bankruptcy Code grants the Court the authority to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].” 11 U.S.C. § 105(a). This provision is “the basis for a broad exercise of power [by the Court] in the administration of a bankruptcy case.” *In re Flores*, 291 B.R. 44, 54 (Bankr. S.D.N.Y. 2003).

B. The Applicable Legal Standards for Sale of the Golf Membership are Satisfied Here

(i) The Sale of the Golf Club Membership Represents Sound Business Judgment

33. The Debtors’ decision to liquidate the Golf Club Membership through a private sale squarely falls within the Debtors’ exercise of sound and reasonable business judgment. The Golf Club Membership is not needed for the Debtors’ businesses or reorganization. Monetizing the asset will generate cash necessary to fund the Debtors’ operations and obviate a monthly subscription fee of HK\$2,840 (or approximately US\$366.27). (*See Ng Declaration*, ¶ 4).

(ii) The Purchase Price is Fair and Reasonable

34. The price received by PAIH represents a fair and reasonable price for the Golf Club Membership. This is evidenced by the market data provided by Everfine and the offers brokered by Sakura and Noblesse. (*See Ng Declaration*, ¶¶ 8-12, Exs. C-D).

35. The sale of the Golf Club Membership pursuant to a private sale process, rather than through an auction process is appropriate in this case because there is an active and transparent market in such golf memberships as indicated by the presence of entities like Everfine, Sakura and Noblesse that specialize in just such sales. (*See Ng Declaration*, ¶ 23). A public sale or auction may be counterproductive because potential buyers have an existing market to purchase memberships such as the Golf Club Membership without the transaction costs, delay and uncertainty of the auction process. Moreover, the existence of an apparently active and transparent market for sale of golf membership provides assurance that PAIH obtained fair value for the Golf Club Membership. Additionally, the Golf Club does not permit its memberships to be freely assigned and approval by the Golf Club is necessary for any transfers. Accordingly, a typical bankruptcy court sale process that is subject to higher and better offers could result in a failed sale process if the ultimate highest bidder (or the back-up bidder) is rejected by the Golf Club.

36. As such, the sale of the Golf Club Membership pursuant to the July 2016 Agreement represents the most efficient use of the Debtors' resources and will generate the greatest value from the Golf Club Membership. Accordingly, the proposed private sale of the Golf Club Membership to the Purchaser should be approved, even though the *nunc pro tunc* approval is being sought after the transfer.

(iii) The Sale is Proposed in Good Faith

37. While the Bankruptcy Code does not define "good faith," the Second Circuit has held that:

[The good] faith of a purchaser is shown by the integrity of his conduct during the course of the sale proceedings A purchaser's good faith is lost by "fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.

Licensing by Paulo v. Sinatra (In re Gucci), 1216 F.3d 380, 390 (2d Cir. 1997) (quoting *In re Rock Indus. Mach. Corp.*, 572 F.2d 1195, 1198 (7th Cir. 1978)). See also *Evergreen Int'l Airlines Inc. v. Pan Am. Corp. (In re Pan Am Corp.)*, Nos. 92 Civ. 8319 (LMM) to 91 Civ 8324 (LMM), 1992 WL 154200 at *4 (S.D.N.Y. June 18, 1002).

38. The transaction has been proposed in good faith and the terms of the private sale to the Purchaser are the product of good faith, arm's-length negotiations with the brokers, the Initial Purchase and the Purchaser. (See Ng Declaration, ¶¶ 14, 19). The Debtors have no relationship with the Purchaser nor have the Debtors previously conducted business with the Purchaser. (See Ng Declaration, ¶¶ 14, 19). This transaction is being conducted for the sole purpose of maximizing the estate's return on the Golf Club Membership and minimizing any potential future administrative expenses associated with it. (See Ng Declaration, ¶¶ 13-14, 19).

39. The April 2016 Agreement and the July 2016 Agreement were negotiated at arms' length and in good faith. (See Ng Declaration, ¶¶ 14, 19). There was no fraud or collusion between the Purchaser and the Debtors. The price received is in line with the value of the Golf Club Membership. (See Ng Declaration, ¶¶ 8-12, Exs. C-D). Accordingly, the Debtors submit that the proposed sale is in good faith and the terms of the sale to the Purchaser are the product of good faith, arm's-length negotiations with the Purchaser.

(iv) Adequate and Reasonable Notice of the Sale Has Been Provided

40. PAIH contacted three (3) separate brokers to sell the Golf Club Membership and obtain the highest and best offer for the Golf Club Membership. (See Ng Declaration, ¶¶ 8-12, Exs. C-D). Additionally, the Debtors have provided adequate notice of this Motion to all parties-in-interest as required by the applicable procedural rules. See Fed. R. Bankr. P. 2002(c)(1) (notice must contain "the terms and conditions of any private sale and the time fixed for filing

objections.”); *Delaware & Hudson Ry.*, 124 B.R. at 180 (the disclosures necessary in such a sale notice need only include the terms of the sale and the reasons why such a sale is in the best interests of the estate and do not need to include the functional equivalent of a disclosure statement). As noted below, the Debtors are providing notice of this Motion to, among others, the Debtors’ consolidated twenty largest creditors and any party that has requested notice pursuant to Bankruptcy Rule 2002.

C. Sale Free and Clear of Liens

41. The Debtors propose to sell the Golf Club Membership free and clear of any liens, claims or encumbrances. Pursuant to section 363(f) of the Bankruptcy Code, a debtor may sell property free and clear of any interest in such property of an entity other than the estate only if one of the following conditions is satisfied:

- (a) applicable nonbankruptcy law permits sale of such property free and clear of such interest;
- (b) such entity consents;
- (c) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- (d) such interest is in bona fide dispute; or
- (e) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f).

42. Because section 363(f) of the Bankruptcy Code is drafted in the disjunctive, satisfaction of any one of its five requirements will suffice to approve the sale of the Golf Club Membership “free and clear” any liens, claims or encumbrances. *See* 11 U.S.C. § 363(f); *Mich. Employment Sec. Comm’n v. Wolverine Radio Co. (In re Wolverine Radio Co.)*, 930 F.2d 1132, 1147 n.24 (6th Cir. 1991) (recognizing that Bankruptcy Code section 363(f) is written in

disjunctive, and holding that court may approve sale “free and clear” provided that at least one subsection of section 363(f) is met); *Citicorp Homeowners Servs., Inc. v. Elliot (In re Elliot)*, 94 B.R. 343, 345 (E.D. Pa. 1988) (same).

43. In addition, the Golf Club Membership may be sold free and clear of liens to the extent that holders of any liens, claims or encumbrances on the Golf Club Membership do not object. *See In re Borders Group, Inc.*, 453 B.R. 477, 484 (Bankr. S.D.N.Y. 2011) (“Under section 363(f)(2), a lienholder who receives notice of a sale but does not object within the prescribed time period is deemed to consent to the proposed sale, and assets thereafter may be sold free and clear of liens.”).

44. Upon information and belief, there are no liens, claims or encumbrances on the Golf Club Membership. (*See Ng Declaration*, ¶ 6). To the extent there are one or more liens, claims or encumbrances, the Debtors believe the Golf Club Membership may be sold free and clear of such liens, claims or encumbrances based on one of the exceptions set forth in Bankruptcy Code section 363(f). As such, out of abundance of caution, the Debtors have served notice of this Motion and the relief requested herein on all parties that may hold or claim to hold any lien, including a judgment lien, on any of the Debtors’ personal or real property. The Debtors submit that such service satisfies the notice requirements of Bankruptcy Rule 6004(c). The Debtors should therefore be authorized to sell the Golf Club Membership free and clear of all Liens, with such Liens, if any, to attach to the proceeds of the sale of the Golf Club Membership.

45. The Debtors believe that section 363(f)(5) of the Bankruptcy Code is satisfied by the sale of the Golf Club Membership, as the Debtors propose that any lien on any Golf Club Membership sold pursuant to the relief requested in this Motion shall attach to the net proceeds

of the sale of that Golf Club Membership, subject to any claims and defenses the Debtors may possess with respect thereto. As such, the sale of the Golf Club Membership free and clear of all liens satisfies section 363(f)(5) of the Bankruptcy Code.

D. Good Faith Protection for Purchaser

46. Section 363(m) of the Bankruptcy Code provides:

The reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease of property does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale or lease were stayed pending appeal.

11 U.S.C. § 363(m).

47. As noted above, the Second Circuit has stated that purchaser's "good faith" "is shown by the integrity of his conduct during the course of the sale proceedings" and is "lost by 'fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.'" *In re Gucci*, 1216 F.3d at 390.

48. The April 2016 Agreement, the July 2016 Agreement and the Amendment were negotiated at arms' length and in good faith, and there was no fraud or collusion between the Purchaser and the Debtors. (See Ng Declaration, ¶¶ 14, 19). The price received was in line with the value of the Golf Club Membership. (See Ng Declaration, ¶¶ 8-12, Exs. C-D). Accordingly, the Debtors submit that the Purchaser should be afforded the protections of section 363(m) of the Bankruptcy Code.

E. The Debtors Should be Authorized to Retain Everfine Membership Services Limited Pursuant to Sections 327(a) and 328 of the Bankruptcy Code

49. Prior to the Petition Date, the Debtors retained Everfine as a broker for the sale of the Golf Club Membership at a service fee of 1% of the sale price (or HK\$151,000 which is

approximately US\$19,474.45) to be paid by PAIH to Everfine upon completion of the transfer of the Golf Club Membership. (See Ng Declaration, ¶ 7, Ex. B). Accordingly, the Debtors seek to employ and retain Everfine, *nunc pro tunc* to the Petition Date (June 30, 2016), pursuant to sections 327(a) and 328 of the Bankruptcy Code, Bankruptcy Rule 2014(a), and Rule 2014-1 of the Local Rules of Bankruptcy Practice and Procedure of the Bankruptcy Court for the Southern District of New York (the “**Local Rules**”), to permit the Debtors to pay Everfine the 1% service fee agreed upon before the Petition Date. The 1% service fee owed to Everfine is currently being held by the Debtors together with the other monies received from the sale. (See Ng Declaration, ¶ 24).

50. To the best of Debtors’ knowledge, Everfine and all of its employees are “disinterested persons,” as that term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and as required under section 327(a) of the Bankruptcy Code, Everfine and its professionals do not have any connection with or hold any interest adverse to the Debtors, their creditors or any other party in interest, or their respective attorneys and accountants. (See Chan Declaration, ¶ 6). Specifically, Everfine and its employees:

- a. are not creditors, equity security holders or insiders of the Debtors;
- b. are not and were not investment bankers for any outstanding security of the Debtors;
- c. have not been, within three years before the date of the filing of the Debtors’ chapter 11 petitions, (i) investment bankers for a security of the Debtors or (ii) an attorney for such an investment banker in connection with the offer, sale, or issuance of a security of the Debtors;
- d. were not, within two years before the date of filing of the Debtors’ chapter 11 petitions, a director, officer, or employee of the Debtors or of any investment banker as specified in subparagraph (b) or (c) of this paragraph; and

- e. do not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the debtor or an investment banker specified in subparagraph (b) or (c) of this paragraph, or for any other reason.

51. The Debtors submit that the retention of, and payment of the 1% service fee to, Everfine on the terms and conditions set forth above is in the best interests of the Debtors, their estates and creditors, and all other parties in interest. The 1% service fee is a commercially reasonable compensation for brokering the sale of the Golf Club Membership. (*See* Ng Declaration, ¶ 24; Chan Declaration, ¶ 8).

52. The Debtors believe that services rendered by Everfine were necessary and beneficial to the Debtors' estates and that the 1% service fee sought is reasonable. As a result of Everfine's efforts, the estates will benefit from a significant cash infusion. Therefore, the Debtors are requesting authority to pay Everfine's 1% service fee from the proceeds of the sale of the Golf Club Membership.

53. On these facts, and on the facts set forth in the Chan Declaration, the Debtors submit that authorizing payment of a 1% service fee to Everfine is in the best interest of their estates, creditors and other parties in interest. Everfine is a "disinterested person" and does not hold or represent any interest adverse to the estate, the agreement provides reasonable compensation to Everfine for the services to be provided, and Everfine provided a substantial benefit to the Debtors by efficiently brokering the sale of the Golf Club Membership, which will produce significant cash for the Debtors' estates at minimal cost. Accordingly, the Court should approve retention of Everfine *nunc pro tunc* to the Petition Date and payment of the 1% service fee to Everfine, pursuant to sections 327 and 328 of the Bankruptcy Code, Bankruptcy Rule 2014(a) and Local Rule 2014-1.

NOTICE

54. No creditors' committee, trustee, or examiner has been appointed in these chapter 11 cases. The Debtors have provided notice of this Application to the following parties, or, in lieu thereof, their counsel: (a) the Office of the U.S. Trustee for the Southern District of New York; (b) creditors holding the twenty largest claims as set forth in the consolidated list filed with the Debtors' petitions; (c) the United States Attorney's Office for the Southern District of New York; (d) the Internal Revenue Service; (e) the United States Securities and Exchange Commission; and (f) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice is required.

NO PRIOR REQUEST

55. No prior motion for the relief requested herein has been made to this or any other Court.

WHEREFORE, for the reasons set forth herein, the Debtors respectfully request that the Court (a) enter an order, substantially in the form attached hereto as **Exhibit 1** and (b) grant such other and further relief as is just and proper.

Dated: September 30, 2016
New York, New York

MEYER, SUOZZI, ENGLISH & KLEIN, P.C.

By: /s/ Jil Mazer-Marino
Howard B. Kleinberg
Edward J. LoBello
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1350 Broadway, Suite 501
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(212) 239-4999

Counsel to the Debtors and Debtors in Possession

EXHIBIT 1

Proposed Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

Chapter 11

CHINA FISHERY GROUP LIMITED
(CAYMAN), *et al.*,¹

Case No. 16-11895 (JLG)

Jointly Administered

Debtors.

**ORDER (I) AUTHORIZING THE PRIVATE SALE OF
GOLF CLUB MEMBERSHIP *NUNC PRO TUNC* TO
AUGUST 25, 2016, (II) APPROVING THE TERMS OF
THE SALE, (III) AUTHORIZING THE EMPLOYMENT,
RETENTION OF AND PAYMENT TO EVERFINE MEMBERSHIP
SERVICES LIMITED, AS BROKER, *NUNC PRO TUNC* TO
JUNE 30, 2016, AND (IV) GRANTING RELATED RELIEF**

Upon the motion, dated September 30, 2016 (the “**Motion**”),² of China Fishery Group Limited (Cayman) (“**China Fishery**”), and certain of its affiliated debtors and debtors-in-possession (collectively, the “**Debtors**”), for entry of an order (this “**Order**”) (a) approving the private sale of a golf club membership *nunc pro tunc* to August 25, 2016, (b) approving the terms of the sale, and (c) authorizing the employment, retention of and payment to Everfine Membership Services Limited, as broker, *nunc pro tunc* to June 30, 2016; and any objections (if any) to the Motion having been withdrawn or overruled on the merits; and a hearing having been held to consider the relief requested in the Motion; and upon the record of the hearing and all of

¹ The Debtors are China Fishery Group Limited (Cayman) (“CFGL”), Pacific Andes International Holdings Limited (Bermuda) (“PAIH”), N.S. Hong Investment (BVI) Limited (“NS Hong”), South Pacific Shipping Agency Limited (BVI) (“SPSA”), China Fisheries International Limited (Samoa) (“CFIL”), CFGL (Singapore) Private Limited (“CFGLPL”), Chanery Investment Inc. (BVI) (“Chanery”), Champion Maritime Limited (BVI) (“Champion”), Growing Management Limited (BVI) (“Growing Management”), Target Shipping Limited (HK) (“Target Shipping”), Fortress Agents Limited (BVI) (“Fortress”), Ocean Expert International Limited (BVI) (“Ocean Expert”), Protein Trading Limited (Samoa) (“Protein Trading”), CFG Peru Investments Pte. Limited (Singapore) (“CFG Peru Singapore”), Smart Group Limited (Cayman) (“Smart Group”), and Super Investment Limited (Cayman) (“Super Investment”).

² All capitalized terms used and not defined herein shall have the meaning ascribed to them in the Motion.

the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY FOUND AND DETERMINED THAT:³

A. The Court has jurisdiction over this Motion, this matter and over the property of the Debtors' estates pursuant to 28 U.S.C. §§ 157(a) and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b). The statutory predicates for the relief sought herein are 11 U.S.C. §§ 105, 327, 328 and 363, and Fed. R. Bankr. P. 2002, 2014(a), 6004, and Rule 2014-1 of the Local Bankruptcy Rules for the Southern District of New York. Venue of these cases and the Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

B. The relief granted herein is in the best interests of the Debtors, their estates, their creditors and all other parties in interest.

C. The notice of the Motion given by the Debtors constitutes due and sufficient notice thereof and that no other or further notice is necessary.

D. The Debtors have articulated good and sufficient reasons for the Court to (a) approve the private sale of the Golf Club Membership *nunc pro tunc* to August 25, 2016, (b) approve the terms of the sale, and (c) authorize the employment, retention of and payment to Everfine Membership Services Limited, as broker, *nunc pro tunc* to June 30, 2016.

E. The Debtors' decision to sell the Golf Club Membership through a private sale as set forth in the Motion falls within the Debtors' exercise of sound and reasonable business judgment.

³ Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact to the fullest extent of the law. *See* Fed. R. Bankr. P. 7052.

F. Upon consideration of the declaration of Chan Wai Hung, the Sales Director of Everfine Membership Services Limited, sworn to on September 30, 2016 (the “**Chan Declaration**”), submitted with the Motion, the Court is satisfied based on the representations made in the Motion and the Chan Declaration that Everfine Membership Services Limited holds no interest adverse to the Debtors or their estates and is a “disinterested person” as that term is defined in section 101(14) of the Bankruptcy Code.

G. Section 363(f)(5) of the Bankruptcy Code is satisfied by the sale of the Golf Club Membership, as the Debtors propose that any lien on any Golf Club Membership sold pursuant to the relief requested in this Motion shall attach to the net proceeds of the sale of that Golf Club Membership, subject to any claims and defenses the Debtors may possess with respect thereto.

H. Upon consideration of the declaration of *Ng Puay Yee (Jessie)* sworn to on September 30, 2016 (the “**Ng Declaration**”), the sale of the Golf Club Membership was negotiated at arms’ length and in good faith, and there was no fraud or collusion between the Purchaser and the Debtors, with the price received being consistent with the value of the Golf Club Membership.

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion is granted to the extent provided in this Order.
2. The Debtors and Everfine Membership Services Limited are authorized *nunc pro tunc* to August 25, 2016, to take all steps reasonably necessary to sell the Golf Club Membership by private sale, pursuant to the terms of the July 2016 Agreement and the Amendment, and sections 105(a) and 363 of the Bankruptcy Code.
3. The Debtors’ sale of the Golf Club Membership shall be, and hereby is, free and clear of all liens, encumbrances, pledges, mortgages, deeds of trust, security interests, claims,

leases, charges, options, rights of first refusal, easements, servitudes, proxies, voting trusts or agreements, transfer restrictions under any agreement, or other interests (collectively, "Liens"), with Liens , if any, to attach to the net proceeds of the sale subject to any claims and defenses the Debtors may possess with respect thereto.

4. Pursuant to sections 327(a) and 328 of the Bankruptcy Code and Bankruptcy Rule 2014, the Debtors are authorized to employ and retain Everfine Membership Services Limited *nunc pro tunc* to June 30, 2016, and are authorized to make a payment of 1% of the purchase price for the Golf Club Membership to Everfine Membership Services Limited pursuant to the Confirmation Agreement without any further notice or process.

5. The sale is subject to section 363(m) of the Bankruptcy Code and the Purchaser is afforded the protections of section 363(m) of the Bankruptcy Code as a entity which purchased the Golf Club Membership in good faith.

6. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order.

7. This Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the Motion or the implementation of this Order.

Dated: October _____, 2016
New York, New York

UNITED STATES BANKRUPTCY JUDGE

Hearing Date: October 25, 2016 at 2:00 p.m. (NY Time)
Objection Deadline: October 18, 2016 at 4:00 p.m. (NY Time)

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Counsel to the Debtors and Debtors in Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

Chapter 11

CHINA FISHERY GROUP LIMITED
(CAYMAN), *et al.*,¹

Case No. 16-11895 (JLG)

Jointly Administered

Debtors.

**NOTICE OF HEARING ON DEBTORS' MOTION FOR AN ORDER
PURSUANT TO 11 U.S.C. §§ 105(A), 327(A), 328 AND 363 (I) AUTHORIZING
THE PRIVATE SALE OF GOLF CLUB MEMBERSHIP *NUNC
PRO TUNC* TO AUGUST 25, 2016, (II) APPROVING THE TERMS OF
THE SALE, (III) AUTHORIZING THE EMPLOYMENT,
RETENTION OF AND PAYMENT TO EVERFINE MEMBERSHIP
SERVICES LIMITED, AS BROKER, *NUNC PRO TUNC* TO
JUNE 30, 2016, AND (IV) GRANTING RELATED RELIEF**

¹ The Debtors are China Fishery Group Limited (Cayman) ("CFGL"), Pacific Andes International Holdings Limited (Bermuda) ("PAIH"), N.S. Hong Investment (BVI) Limited ("NS Hong"), South Pacific Shipping Agency Limited (BVI) ("SPSA"), China Fisheries International Limited (Samoa) ("CFIL"), CFGL (Singapore) Private Limited ("CFGLPL"), Chanery Investment Inc. (BVI) ("Chanery"), Champion Maritime Limited (BVI) ("Champion"), Growing Management Limited (BVI) ("Growing Management"), Target Shipping Limited (HK) ("Target Shipping"), Fortress Agents Limited (BVI) ("Fortress"), Ocean Expert International Limited (BVI) ("Ocean Expert"), Protein Trading Limited (Samoa) ("Protein Trading"), CFG Peru Investments Pte. Limited (Singapore) ("CFG Peru Singapore"), Smart Group Limited (Cayman) ("Smart Group"), and Super Investment Limited (Cayman) ("Super Investment").

PLEASE TAKE NOTICE, that a hearing will be held on **October 25, 2016 at 2:00 p.m. (NY Time)** or as soon thereafter as counsel can be heard, before the Honorable James L. Garrity Jr., United States Bankruptcy Judge, at the United States Bankruptcy Court, Southern District of New York, One Bowling Green, New York, New York 10004-1408 (the "**Court**"), upon the motion (the "**Motion**") of China Fishery Group Limited (Cayman) ("**China Fishery**"), and certain of its affiliated debtors and debtors-in-possession (collectively, the "**Debtors**"), seeking the entry of an order pursuant to sections 105(a), 327, 328 and 363 of title 11 of the United States Code (the "**Bankruptcy Code**") (a) approving the private sale of a golf club membership (the "**Golf Club Membership**") *nunc pro tunc* to August 25, 2016, (b) approving the terms of the sale, (c) authorizing the employment, retention of and payment to Everfine Membership Services Limited, as broker, *nunc pro tunc* to June 30, 2016, and (d) granting related relief.

PLEASE TAKE FURTHER NOTICE, that pursuant to the Motion, the Debtors will seek approval for sale of the Golf Club Membership for a purchase price of HK\$15,100,000.00 (or approximately USD\$1,947,444.89)² inclusive of a transfer fee payable to The Hong Kong Golf Club of HK\$3,300,000 (or approximately USD\$425,600.54) and a 1% service fee payable to broker Everfine Membership Services Limited of HK\$150,000 (or approximately US\$19,345.48), as is, free and clear of all liens, claims, interests, and encumbrances (collectively, "**Liens**").

PLEASE TAKE FURTHER NOTICE, that the Motion is on file with the Clerk of the Court and may be reviewed at the Office of the Clerk of the Court, One Bowling Green, New York, New York 10004-1408 between the hours of 9:00 a.m. and 4:00 p.m. on regular business days. In addition, copies of the Motion may be obtained on request, without charge. Requests for copies of the Motion must be in writing and delivered to Meyer, Suozzi, English & Klein, P.C., 990 Stewart Avenue, Suite 300, P.O. Box 9194, Garden City, New York 11530-9194, Fax: (516) 741-6706, email: mkwiatkowski@msek.com, Attn: Michael Kwiatkowski, Esq.

PLEASE TAKE FURTHER NOTICE, that any responses or objections to the Motion must be in writing, conform to the Bankruptcy Rules and the Local Rules of the Bankruptcy Court, set forth the basis for the objection and the specific grounds therefor, and shall be filed with the Bankruptcy Court electronically in accordance with General Order M-242 (General Order M-242 and the User's Manual for the Electronic case Filing System can be found at www.nysb.uscourts.gov, the official website for the Bankruptcy Court), by registered users of the Bankruptcy Court's case filing system and, by other parties in interest, on a 3.5 inch disk, preferably in Portable Document Format (PDF), WordPerfect or any other Windows-based word processing format (with a hard-copy delivered directly to Chambers), and shall be served in accordance with General Order M-242, upon Meyer, Suozzi, English & Klein, P.C., 990 Stewart Avenue, Suite 300, P.O. Box 9194, Garden City, New York 11530-9194, Attention: Howard Kleinberg, Esq., Edward J. LoBello, Esq. and Jil Mazer-Marino, Esq. and the Office of the

² All conversion calculations are performed for the convenience of the Court as of September 28, 2016 at a rate of HK\$1 = US\$0.13.

United States Trustee, 201 Varick Street, Room 1006, New York, NY 10006, Attn: Susan Golden, so as to be received on or before **October 18, 2016 at 4:00 p.m. (NY Time)**.

PLEASE TAKE FURTHER NOTICE, that failure to object to the Motion may be deemed to be consent to the sale of the Golf Club Membership free and clear of Liens.

PLEASE TAKE FURTHER NOTICE, that the hearing on the Motion may be adjourned from time to time as set forth in open Court and without further notice by the Debtors.

Dated: September 30, 2016
New York, New York

MEYER, SUOZZI, ENGLISH & KLEIN, P.C.

By: /s/ Jil Mazer-Marino
Howard B. Kleinberg
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Counsel to the Debtors and Debtors in Possession

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

In re:

Chapter 11

**CHINA FISHERY GROUP LIMITED
(CAYMAN), *et al.*,¹**

Case No. 16-11895 (JLG)

Jointly Administered

Debtors.

**DECLARATION OF NG PUAY YEE (JESSIE) IN SUPPORT OF DEBTORS'
MOTION TO (I) AUTHORIZE THE PRIVATE SALE OF GOLF CLUB
MEMBERSHIP *NUNC PRO TUNC* TO AUGUST 25, 2016, (II) APPROVE
THE TERMS OF THE SALE, (III) AUTHORIZE THE EMPLOYMENT,
RETENTION OF AND PAYMENT TO EVERFINE MEMBERSHIP SERVICES
LIMITED, AS BROKER, *NUNC PRO TUNC* TO JUNE 30, 2016**

Ng Puay Yee (Jessie), under penalty of perjury pursuant to 28 U.S.C. § 1746, declares
as follows:

1. I am the Chief Executive Officer of China Fishery Group Limited (Cayman)
("China Fishery"), and certain of its affiliated debtors and debtors-in-possession
(collectively, the "Debtors"). I am familiar with the Debtors' day-to-day operations and the
corporate structure of the Debtors and their controlled entities.

2. I am duly authorized to make this declaration in support of the *Motion for an
Order Pursuant to 11 U.S.C. §§ 105(a) and 363 (I) Authorizing the Private Sale of Golf Club*

¹ The Debtors are China Fishery Group Limited (Cayman) ("CFGL"), Pacific Andes International Holdings Limited (Bermuda) ("PAIH"), N.S. Hong Investment (BVI) Limited ("NS Hong"), South Pacific Shipping Agency Limited (BVI) ("SPSA"), China Fisheries International Limited (Samoa) ("CFIL"), CFGL (Singapore) Private Limited ("CFGLPL"), Chanery Investment Inc. (BVI) ("Chanery"), Champion Maritime Limited (BVI) ("Champion"), Growing Management Limited (BVI) ("Growing Management"), Target Shipping Limited (HK) ("Target Shipping"), Fortress Agents Limited (BVI) ("Fortress"), Ocean Expert International Limited (BVI) ("Ocean Expert"), Protein Trading Limited (Samoa) ("Protein Trading"), CFG Peru Investments Pte. Limited (Singapore) ("CFG Peru Singapore"), Smart Group Limited (Cayman) ("Smart Group"), and Super Investment Limited (Cayman) ("Super Investment").

Membership Nunc Pro Tunc to August 25, 2016, (II) Approving the Terms of the Sale, (III) Authorizing the Employment, Retention of and Payment to Everfine Membership Services Limited, as Broker, Nunc Pro Tunc to June 30, 2016, and (IV) Granting Related Relief (the "Motion")² filed contemporaneously herewith by the Debtors.

3. Unless otherwise stated in this declaration, I have personal knowledge of the matters set forth herein.

4. By an agreement dated April 26, 2016 ("April 2016 Agreement"), Pacific Andes International Holdings Limited (Bermuda) ("PAIH"), agreed to sell a corporate membership to The Hong Kong Golf Club (the "Golf Club"), memorialized by Certificate No. 0936 (the "Golf Club Membership"), to potential purchaser Biel Crystal (HK) Manufactory Limited (the "Initial Purchaser"). A copy of the April 2016 Agreement is attached as Exhibit A. There is a monthly subscription fee of HK\$2,840 (or approximately US\$366.27)³ associated with the Golf Club Membership.

5. Under the April 2016 Agreement, PAIH agreed to sell the Golf Club Membership for HK\$15,000,000.00 (or approximately USD\$1,934,547.90), inclusive of a transfer fee payable to Golf Club of HK\$3,200,000 (or approximately USD\$412,703.55). See Ex. A. The net sum to be received by PAIH upon the sale closing was HK\$11,800,000 (or approximately USD\$1,521,844.35). See Ex. A.

6. Under the terms of the April 2016 Agreement, the Gold Club Membership was to be purchased "free and clear of all charges, mortgages, liens, encumbrances, equities and claims

² Capitalized terms not otherwise defined in this Declaration shall have the meanings ascribed to such terms in the Motion.

³ All conversion calculations are performed for the convenience of the Court as of September 28, 2016 at a rate of HK\$1 = US\$0.13.

of any kind.” See Ex. A. There are no liens, claims or encumbrances on the Golf Club Membership.

7. The sale was brokered by Everfine Membership Services Limited (“Everfine” or “Broker”). Everfine is Hong Kong-based regional operation specializing in providing brokerage services for the sale, rental and purchase of golf and country club, social club, marina and yacht club memberships, including memberships in the Golf Club. PAIH and Everfine entered into a sale confirmation agreement dated April 25, 2016 (the “Confirmation Agreement”). A copy of the Confirmation Agreement is attached as **Exhibit B**. Pursuant to the Confirmation Agreement, the transfer of the Golf Club Membership was required to be completed within three (3) months of the date of the Confirmation Agreement and was subject to approval by the Golf Club. See Ex. B. A 1% service fee (or HK\$150,000 which is approximately US\$19,345.48) was to be paid by PAIH to Everfine upon completion of the transfer of the Golf Club Membership. See Ex. B. Accordingly, after closing of the sale and payment of the 1% service fee, the net payment to PAIH would be HK\$11,650,000 (or approximately US\$1,502,498.87).

8. Prior to PAIH entering into the Confirmation Agreement and the April 2016 Agreement, PAIH contacted several other brokers to sell the Golf Club Membership. In addition to Everfine, PAIH contacted Sakura Membership Services Limited (“Sakura”) and Noblesse Membership Service Limited (“Noblesse”) and obtained three (3) proposed sale confirmation agreements for a corporate membership with the Golf Club. Copies of the three (3) proposed sale confirmation agreements are attached as **Exhibit C**.

9. Sakura proposed a sale of a golf club membership for HK\$14,000,000 (or, approximately US\$1,805,578.04), inclusive of a transfer fee payable to the Golf Club of HK\$3,200,000 (or approximately US\$412,703.55) and a 1% service fee of the total consideration

with 10% discount which was HK\$126,000 (or approximately US\$16,250.20). *See Ex. C.* A sale of the Golf Club Membership through Sakura would result in net payment to PAIH of HK\$10,674,000 (or approximately US\$1,276,624.29). *See Ex. C.*

10. The first proposed sale confirmation offered by Noblesse, dated March 11, 2016, was for HK\$14,700,000 (or approximately US\$1,895,856.94), including a transfer fee payable to the Golf Club of HK\$3,200,000 (or approximately US\$412,703.55) and 1% commission to Noblesse of HK\$147,000 (or approximately US\$18,958.57). *See Ex. C.* Based on this offer, a sale of the Golf Club Membership through Noblesse would result in net payment to PAIH of HK\$11,353,000 (or approximately US\$1,464,194.82). *See Ex. C.*

11. The second proposed sale confirmation offered by Noblesse, dated April 1, 2016, was for HK\$14,300,000 (or approximately US\$1,844,269), including a transfer fee payable to the Golf Club of HK\$3,200,000 (or approximately US\$412,703.55) and 1% commission to Noblesse of HK\$143,000 (or approximately US\$18,442.69). *See Ex. C.* Based on this offer, a sale of the Golf Club Membership through Noblesse would result in net payment to PAIH of HK\$10,957,000 (or approximately US\$1,413,122.76). *See Ex. C.*

12. Based on information obtained from Everfine, a second-hand membership in the Golf Club, such as the Golf Club Membership, costs HK\$15,000,000 (or approximately USD\$1,934,547.90). A copy of a printout from the website for Everfine indicating that second-hand membership in the Golf Club is priced at HK\$15,000,000.00 (or approximately USD\$1,934,547.90) is attached as Exhibit D.

13. In light of the above offers for the Golf Club Membership, PAIH decided to enter into the Confirmation Agreement with Everfine and the April 2016 Agreement with the Initial Purchaser as the best and highest offer for the Golf Club Membership.

14. Prior to this transaction, the Debtors had no relationship with the Initial Purchaser nor the eventual Purchaser (described below), nor had the Debtors previously conducted business with either the Initial Purchaser or the eventual Purchaser, and were not aware that the Initial Purchaser was looking to purchase a membership with the Golf Club. PAIH was, at all times, seeking to maximize the return on the Golf Club Membership and engaged in good-faith, arm's length negotiations with the brokers, including Everfine, the Initial Purchaser and the eventual Purchaser. I believe that the brokers, including Everfine, the Initial Purchaser and the eventual Purchase likewise engaged with PAIH in good-faith, arm's length manner.

15. As required by the April 2016 Agreement, the Initial Purchaser and PAIH informed the Golf Club of the proposed transfer of the Golf Club Membership and sought the Golf Club's approval for the transfer by letters dated April 27, 2016 and April 29, 2016. Copies of the letters dated April 27, 2016 and April 29, 2016 are attached as **Exhibit E** and **Exhibit F**, respectively.

16. By letter dated July 7, 2016, the Golf Club requested that the Initial Purchaser submit another application using a financial entity that is registered in Hong Kong with more significant assets and/or trading history together with the requisite financial information. A copy of the July 7, 2016 letter is attached as **Exhibit G**.

17. Accordingly, on or about July 12, 2016, the parties re-executed a sale and purchase agreement for the Golf Club Membership (the "**July 2016 Agreement**") on the same terms and conditions as the April 2016 Agreement with Biel Crystal Manufactory Limited as the Purchaser ("**Purchaser**"), a company related to the Initial Purchaser. A copy of the July 2016 Agreement is attached as **Exhibit H**.

18. The parties then entered into an amendment to the July 2016 Agreement dated August 18, 2016 (the "Amendment"). A copy of the Amendment is attached as **Exhibit I**. Pursuant to the Amendment, the consideration was increased to HK\$15,100,000.00 (or approximately USD\$1,947,444.89) which included a transfer fee payable to Golf Club of HK\$3,300,000 (or approximately USD\$425,600.54). *See* Ex. I. The net sum to be received by PAIH upon the transfer remained, as under the April 2016 Agreement, HK\$11,800,000 (or approximately USD\$1,521,844.35). *See* Ex. I. Notwithstanding the increase in purchase price, the service fee due to Everfine remained at HK\$150,000 (or approximately US\$19,345.48).

19. Like the April 2016 Agreement, the July 2016 Agreement was negotiated at arms' length and in good faith, and there was no fraud or collusion between the Purchaser and the Debtors. Based on available information, the price received for the Golf Club Membership was consistent with the value of that membership and higher and better than the price offered for the membership by two other brokers.

20. By letters dated August 18, 2016, the Purchaser and PAIH informed the Golf Club of the proposed transfer of the Golf Club Membership and sought the Golf Club's approval for the transfer. Copies of the August 18, 2016 letters are attached as **Exhibit J**.

21. By letter dated August 19, 2016, the Golf Club notified the Purchaser of the approval of the transfer of the Golf Club Membership upon terms and conditions agreed to by the parties. A copy of the August 19, 2016 letter is attached as **Exhibit K**.

22. By check dated August 25, 2016, the Purchaser paid HK\$15,100,000 (or approximately USD\$1,947,444.89) to the Golf Club and, in turn, the Golf Club issued a check to PAIH in the amount of HK\$11,800,000 (or approximately USD\$1,521,844.35) dated September 3, 2016. Copies of both checks are attached as **Exhibit L**.

23. As a broker specializing in transfers of memberships in golf and country clubs, social clubs, marina and yacht clubs, including memberships such as the Golf Club Memberships, Everfine is uniquely suitable to have brokered a private sale of the Golf Club Membership particularly since it is based in Hong Kong and the target purchaser of such membership is likely located in Hong Kong or mainland China. Everfine is one of these types of brokers, together with Sakura and Noblesse, indicating that there is an active and transparent market in golf club memberships such as the Golf Club Membership.

24. The 1% service fee is a commercially reasonable compensation for brokering the sale of the Golf Club Membership. This is indicative from the 1% service fee demanded by Everfine as well as the two other brokers (Sakura and Noblesse) contacted by PAIH to sell the Golf Club Membership. The 1% service fee owed to Everfine is currently being held by the Debtors together with the other monies received from the sale.

25. The Debtors believe that services rendered by Everfine were necessary and beneficial to the Debtors' estates and that the service fee sought is reasonable. As a result of Everfine's efforts, a significant cash infusion will be made to the estates. Therefore, the Debtors are requesting authority to pay Everfine's service fee of HK\$150,000 (or approximately US\$19,345.48) from the proceeds of the sale of the Golf Club Membership.

Pursuant to 28 U.S.C. § 1746, I hereby declare under penalty of perjury under the laws of the United States of America that the foregoing statements are true and correct to the best of my knowledge, information and belief.

Executed on September 30, 2016

in Hong Kong, Special Administrative Region of the People's Republic of China

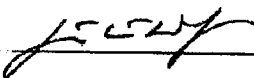


Exhibit A

SALE AND PURCHASE AGREEMENT

This Agreement is made on April 26, 2016 between the Vendor and the Purchaser hereunder for transferring one Hong Kong Golf Club Corporate One Nominee Membership from the Vendor to the Purchaser in the following manner : -

1. **Pacific Andes International Holdings Limited** (the "Vendor") BR No. 17941213 of Room 3201-10, Hong Kong Plaza , 186 Connaught Road West, Hong Kong.
2. **Biel Crystal (HK) Manufactory Limited** (the "Purchaser") BR No. 61066817 of Room A5, Block A, 10/F., Mei Hing Industrial Building, 16-18 Hing Yip Street, Kwun Tong, Hong Kong.

3 Sale and Purchase of the Membership

Subject to the terms and conditions of this Agreement (in particular, approval by The Hong Kong Golf Club of the transfer contemplated under this Agreement and section 6(ii) hereto), the Vendor as beneficial owner shall sell and the Purchaser shall purchase one Corporate One nominee membership (Membership Certificate Number:0936) (the "Membership") of The Hong Kong Golf Club (the "Club") free and clear of all charges, mortgages, liens, encumbrances, equities and claims of any kind, together with all rights attaching to the Membership on and from the date of transfer of the Membership..

4 Consideration

- (i) The consideration for the transfer of the Membership from the Vendor to the Purchaser shall be HK\$15,000,000.00 (TOTAL HONG KONG DOLLARS FIFTEEN MILLION ONLY) (the "Consideration"), which includes the HK\$3,200,000.00 (HONG KONG DOLLARS THREE MILLION AND TWO HUNDRED THOUSAND ONLY) transfer fee payable to the Club as specified in the Articles of Association and the Bye-laws of the Club (together, the "Rules").
- (ii) The Consideration (which includes the requisite transfer fee) shall be paid by the Purchaser to the Vendor via the Club (which acts as stakeholder) in accordance with the applicable provisions of the Rules when requested by the Club but otherwise in accordance with Section 5 below. The Consideration will be held and handled by the Club and will be released to the Vendor (after deducting the requisite transfer fee) in accordance with the applicable provisions of the Rules whereby the Vendor will receive a net sum of HK\$11,800,000.00 (HONG KONG DOLLARS ELEVEN MILLION AND EIGHT HUNDRED THOUSAND ONLY)

5. Completion

The Purchaser and the Vendor shall separately inform the Club in writing within 7 working days after execution of this Agreement of the proposed transfer of the Membership, the name

and details of the Purchaser and the amount of the Consideration, and to apply simultaneously for the transfer of the Membership.

The Purchaser shall also provide to the Club the followings:-

- (1) copies of the Purchaser's annual reports and audited financial accounts for the preceding 3 years;
- (2) copies of the Purchaser's annual return for the preceding 3 years;
- (3) copy of the Purchaser's Memorandum and Articles of Association; and
- (4) any other information and documents as may be requested by the Club.

Within 10 working days after the receipt of the approval and the Nominee Membership Combined Form of Application for Transfer by the Club ("the Form") by each party, the Vendor shall complete and return its set of the Form to the Club together with its existing original membership certificate (No.0936), and the Purchaser shall complete and return its set of the Form to the Club together with a cheque in the sum of HK\$15,000,000.00 being the full payment of the Consideration by the Purchaser in favour of "The Hong Kong Golf Club".

If the Club refuses the application for the transfer of the Membership, this Agreement shall be terminated and the Vendor may sell the Membership to any other person as it thinks fit. The parties shall be absolutely discharged and released from any further obligations and liabilities under this Agreement. Neither party shall make any claim for loss or compensation against the other party, save in respect of any antecedent breaches.

6. Compensation for Termination by Default

- (i) If either party fails to comply with any provision of this Agreement, the other party may by 7 days written notice to the defaulting party forthwith rescind this Agreement and the defaulting party shall pay to the other party an amount equal to the aggregate of 10% of the Consideration as liquidated damages and 1% of the Consideration to cover the agency fee incurred or paid or payable by that other party. The rescission shall allow the Vendor to resell the Membership to any other person as it thinks fit.
- (ii) Prior to the Membership being transferred to the Purchaser, if any of the Vendor's warranties shall be found to be or shall become untrue or incorrect or any of the Vendor's undertakings have not been fully carried out in any respect, the Purchaser shall not be bound to complete the purchase of the Membership.

7. Warranties

7.1 The Vendor warrants to and undertakes with the Purchaser that: -

- (i) subject to the Rules and regulations of the Club, the Vendor will and until the Membership is transferred to the Purchaser have full power and authority to sell, convey, assign and transfer the Membership to the Purchaser pursuant to the terms of this Agreement free from any options, liens, claims, equities, charges, encumbrances or third party rights or interests of whatever nature;

- (ii) all moneys, fees, charges and expenses payable by the Vendor to the Club in relation to the Membership have been and will be duly and fully paid up to the day on which the Form is filed with the Club by the Purchaser;
- (iii) the Vendor has observed and performed and undertakes to observe and perform all the provisions of the Rules and regulations of the Club and any amendment thereto whether or not made subsequent to the date of this Agreement relating to the Membership until the Membership is transferred to the Purchaser;
- (iv) the Club has not suspended the Membership or placed any restriction on its transfer and there are no ongoing or pending disciplinary proceedings against the Vendor by the Club in relation to the Membership;
- (v) the Vendor has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder, and has taken all corporate actions necessary to authorise such execution, delivery and performance; and
- (vi) this Agreement constitutes the legally valid and binding obligations of the Vendor, enforceable against the Vendor in accordance with its terms.

7.2 The Purchaser warrants that:-

- (i) it is a company incorporated or registered in Hong Kong in accordance with the provisions of the Companies Ordinance;
- (ii) it is and has been actively trading for the preceding 3 years;
- (iii) it has no reasonable ground or knowledge to believe that the Club will object to the transfer of the Membership to the Purchaser;
- (iv) the Purchaser has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder, and has taken all corporate actions necessary to authorise such execution, delivery and performance; and
- (v) this Agreement constitutes the legally valid and binding obligations of the Purchaser, enforceable against the Purchaser in accordance with its terms.

8. Miscellaneous

- (i) Each party shall use its best endeavours to execute all such documents and perform all such acts and things as may be reasonably required to perform its obligations under this Agreement and fully and effectively to transfer the Membership from the Vendor to the Purchaser.
- (ii) Each party shall pay its own costs and expenses in connection with the preparation, negotiation and settlement of this Agreement.
- (iii) The Vendor shall use its best endeavours to procure that all moneys paid by the Purchaser to the Club in connection with the transfer of the Membership shall be refunded to the Purchaser if the transfer is not approved and registered by the Club for whatever reason.

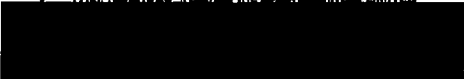
- (iv) Neither party shall assign any of its rights and obligations under this Agreement to any other person without the prior written consent of the other party.
- (v) In the event of the transfer of the Membership to the Purchaser is rejected by the Club or the transaction not completed within three months from the date of this Agreement, this Agreement will automatically be terminated and treated as null and void without any compensation payable by either party and the Vendor can resell the Membership in the manner it thinks fit.

9. The Governing Law

This Agreement is governed by and shall be construed in accordance with the laws of the Hong Kong Special Administrative Region. Each of the parties hereto submits to the non-exclusive jurisdiction of the courts of the Hong Kong Special Administrative Region.

This Agreement has been executed by the parties the day and year first above written.

For and on behalf of
Pacific Andes International Holdings Limited

For and on behalf of
PACIFIC ANDES INTERNATIONAL HOLDINGS LIMITED

Authorized Signature(s)

Authorized Signature
Vendor
Date:

For and on behalf of
Biel Crystal (HK) Manufactory Limited

For and on behalf of
BIEL CRYSTAL (HK) MANUFACTORY LIMITED
伯恩光學(香港)有限公司


Authorized Signature(s)

Authorized Signature
Purchaser
Date:

Exhibit B



EVERFINE MEMBERSHIP SERVICES LIMITED
永輝會籍服務有限公司

香港九龍尖沙咀德士利道3號星光行9樓922室
Unit 922, 9/F, Star House, No. 3 Salisbury Road,
Tsimshatsui, Kowloon, Hong Kong.
Tel: (852) 2174-7880 Fax: (852) 2174-7892

April 25, 2016

Pacific Andes International Holdings Limited
Room 3201-10 Hong Kong Plaza
186 Connaught Road West
Hong Kong

Confirmation

Confirmation in Sale of Hong Kong Golf Club Corporate Membership with One Nominee "Corporate Membership" – Membership Certificate No.: 0936.


The Selling Price of Hong Kong Golf Club "Corporate Membership" is HK\$15,000,000.00 (Hong Kong Dollars Fifteen Million Only)

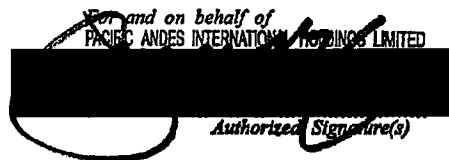
- I) The above price shall be inclusive of the transfer fee in the amount of HK\$3,200,000.00 to The Hong Kong Golf Club.
- II) The Purchaser shall pay the amount of HK\$15,000,000.00 to the Club as a stakeholder money, and after the deduction of the transfer fee of HK\$3,200,000.00 by the Club, the balance of HK\$11,800,000.00 (the "Balance") shall be released to the Vendor by the Club.
- III) In the event of the transfer of the Membership to the Purchaser is rejected by the Club or the transaction is not completed within three months from the date of this Confirmation, this Confirmation will automatically be terminated and treated as null and void without any compensation payable by either party and the Vendor can resell the Membership in the manner it thinks fit.
- IV) The Vendor shall pay the amount of HK\$150,000.00 (1% of the selling price) as a service fee to Everfine Membership Services Limited upon completion of the transfer of the above said membership.
- V) In an event that the vendor fails to proceed and/or terminate this transaction after signing of the Confirmation, the vendor shall pay to the Agent HK\$150,000.00 (1% of the selling price) as the service charge.
- VI) The Vendor has authorized Everfine Membership Services Limited to represent and act as an agent for the purpose of selling of the membership mentioned as above.

Please confirm your acceptance of the above terms and conditions by signing and returning the duplicate copy of this letter to Everfine Membership Services Limited.

For Acting Agent

The Vendor

For and on behalf of
EVERFINE MEMBERSHIP SERVICES LIMITED

Authorized Signature(s)

For and on behalf of
PACIFIC ANDES INTERNATIONAL HOLDINGS LIMITED

Authorized Signature(s)

Authorized Signature

Authorized Signature

Exhibit C



櫻花會籍服務有限公司 SAKURA MEMBERSHIP SERVICES LTD.

Unit A, 13/F, Prosperous Commercial Building, No. 54 Jardine's Bazaar, Causeway Bay, Hong Kong
Tel : 2722 6166 Fax : 2722 6199

Attn. : Mr. J. T. Ng
Page : One

From : JACQUELINE M. K. WONG
Date : 09 March 2016

CONFIRMATION

Confirmation in sale of Hong Kong Golf Club Corporate Membership with One Nominee "Corporate Membership" - Membership Certificate No. _____

Details

The Selling Price of Hong Kong Golf Club "Corporate Membership" is **HK\$14,000,000.00** (including Transfer Fee **HK\$3,200,000.00** AND Service Fee 1% on total consideration with 10% discount which is **HK\$126,000.00**)

NET Receipt: HK\$10,674,000.00

Payment: **HK\$14,000,000.00** pay to The Hong Kong Golf Club by the Purchaser upon signing of the Combine Form issued by the Club immediately. The Club shall subtract **HK\$3,200,000.00** as transfer fee and release the balance of **HK\$10,800,000.00** to the Vendor directly.

Service Fee: **HK\$126,000.00** pay to the Acting Agent by the Vendor upon receipt of the balance within 3 working days.

Completion: around 14 days upon submitting the Combine Form and payment to the Club.

Outstanding: The Vendor shall be responsible for all outstanding balance owed to the Club up to date of the completion of the said membership transfer from the Vendor to the Purchaser.

If for whatever reason (except the transfer is not approved by the Club), should the Vendor fails to proceed and / or terminate this transaction after signing of the Confirmation, the Vendor shall pay a sum of **HK\$126,000.00** to the Acting Agent as agreed liquidated damages.

The Acting Agent
Sakura Membership Services Limited

Agreed & Accepted by the Vendor:



Authorized Signature(s)
BR No. 31913949

Authorized Signature(s)
BR No. _____

Please sign with company chop & return by email/fax 2722 6199 together with a copy of Membership Certificate for our IMMEDIATE processing.

Noblesse Membership Service Ltd

Unit 901 & 902, 9/F, Royal Commercial Centre, 56 Parkes Street, Jordan, Kowloon, Hong Kong
Website <http://www.noblesse.com.hk> E-mail noblesse@noblesse.com.hk
Tel : (852) 2366-9393 Fax : (852) 2366-1919

TO : Pacific Andes DATE : 11th March, 2016
ATTN : Ms. Susanna Fong EMAIL : susanna.fong@pacificandes.com
FROM : Kerry Tam (M: 6999 6293) PAGE : 1

Our Offer

Dear Susanna,

Re: Selling of Hong Kong Golf Club Corporate Membership

We are pleased to inform you that we have a potential buyer who is interested in purchasing your *Hong Kong Golf Club Corporate Membership* and is willing to offer at HK\$14,700,000.00 inclusive of transfer fee HK\$3,200,000.00. We charge HK\$147,000.00 for our commission. Therefore, the net amount you will receive is HK\$11,353,000.00.

If you would agree to sell the captioned membership at the mentioned price, kindly sign at the underneath and return it to us by fax at your earliest convenience. We will prepare a formal Sales and Purchase Agreement for the transaction accordingly.

If you have any comments, please feel free to contact the undersigned.

Yours faithfully,
For and on behalf of
Noblesse Membership Service Ltd.

Confirmed & Accepted by:

Membership Consultant

Authorized Signature w/ Co. Chop

Remarks : The lease for the Hong Kong Golf Club is due for renewal in 2020, but the government only needs to give 12 months' notice to take back the land.

如要取消貴司之傳真號碼,請傳真至 2366-1919 通知,謝謝!

For removing your fax number, pls kindly inform us by sending fax to 2366-1919, thanks!

Noblesse Membership Service Ltd

Unit 901 & 902, 9/F, Royal Commercial Centre, 56 Parkes Street, Jordan, Kowloon, Hong Kong
Website <http://www.noblesse.com.hk> E-mail noblesse@noblesse.com.hk
Tel : (852) 2366-9393 Fax : (852) 2366-1919

TO : Pacific Andes DATE : 1st April, 2016
ATTN : Ms. Susanna Fong EMAIL : susanna.fong@pacificandes.com
FROM : Kerry Tam (M: 6999 6293) PAGE : 1

Our Offer

Dear Susanna,

Re: Selling of Hong Kong Golf Club Corporate Membership

We are pleased to inform you that we have a potential buyer who is interested in purchasing your *Hong Kong Golf Club Corporate Membership* and is willing to offer at HK\$14,300,000.00 inclusive of transfer fee HK\$3,200,000.00. We charge HK\$143,000.00 for our commission. Therefore, the net amount you will receive is HK\$10,957,000.00.

If you would agree to sell the captioned membership at the mentioned price, kindly sign at the underneath and return it to us by fax at your earliest convenience. We will prepare a formal Sales and Purchase Agreement for the transaction accordingly.

If you have any comments, please feel free to contact the undersigned.

Yours faithfully,
For and on behalf of
Noblesse Membership Service Ltd.

Confirmed & Accepted by:

Membership Consultant

Authorized Signature w/ Co. Chop

Remarks : The lease for the Hong Kong Golf Club is due for renewal in 2020, but the government only needs to give 12 months' notice to take back the land.

如要取消貴司之傳真號碼, 請傳真至 2366-1919 通知, 謝謝!

For removing your fax number, pls kindly inform us by sending fax to 2366-1919, thanks!

Exhibit D

All list Membership trading - Everfine Membership Services Ltd

Page 1 of 3



EVERFINE MEMBERSHIP SERVICES LTD
 及康會有限公司

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- [Second Hand Membership](#)
- [School Debenture](#)
- [Golf Tips](#)
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Looking for latest information about the membership?
 Register your Email with us now!

E-mail for signup our new

Second Hand Membership

Club Name	Membership	Price	DetailArea
Aberdeen Marina Club	Individual	HK\$2,750,000	
Aberdeen Marina Club	Corporate	HK\$2,750,000	
American Club	Individual (Town)	HK\$800,000	
American Club	Corporate (Full)	HK\$1,750,000	
China Club	Corporate	HK\$95,000	
Chinese Recreation Club	Individual	HK\$1,600,000	
Chung Shan Hot Spring Golf Club	Corporate (Corp I)	HK\$620,000.00	
Clearwater Bay Golf & Country Club	Corporate	HK\$6,800,000	
Discovery Bay Golf Club	Individual	HK\$2,900,000	
Discovery Bay Golf Club	Corporate	HK\$3,200,000	
Gold Coast Yacht & Country Club	Individual (Yacht)	HK\$320,000	
Gold Coast Yacht & Country Club	Individual (Country)	HK\$140,000	
Hong Kong Cricket Club	Corporate	HK\$1,180,000	
Hong Kong Football Club	Corporate	HK\$2,800,000	
Hong Kong Golf Club	Corporate	HK\$15,000,000	
Kowloon Cricket Club	Corporate	HK\$1,300,000	
Long Island Golf and Country Club	Individual	HK\$180,000	
Long Island Golf and Country Club	Corporate	HK\$180,000	

- Choice :
- [All Membership](#)
- [Membership Buy Only](#)
- [Membership Rental Only](#)



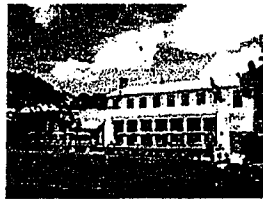
Noblesse Membership Service Limited

GOLF CLUB

Hong Kong - Hong Kong Golf Club

Web Site: <http://www.hkgolfclub.org/>

Membership Type	1st Hand Price	2nd Hand Price	Rental Fee	Monthly Fee	Renomination Fee	Transfer Fee
Corporate	closed	\$14,800,000	N/A	\$3,000	\$34,300	\$3,200,000



B.A. Marketing & Co. Ltd

Page 2 of 7



Type 類別	1st Hand Price (HKD\$) 一手價格 (HKD\$)	2nd Hand Price (HKD\$) 二手價格 (HKD\$)	Monthly Rental (HKD\$) 月租 (HKD\$)
Individual(Deb.2047) 個人會籍(債券2047)	1.70 M.	2.60 M.	-----
Corporate(Deb.2047) 公司會籍(債券 2047)	2.25 M.	3.00 M.	8,000 up
Individual (Entrance) 個人會籍	1.45 M.	2.50 M.	-----
Corporate (Entrance) 公司會籍	2.10 M.	2.80M.	8,000 up

Top

Hong Kong Golf Club 香港高爾夫球會
www.hkgolfclub.org



Type 類別	1st Hand Price (HKD\$) 一手價格 (HKD\$)	2nd Hand Price (HKD\$) 二手價格 (HKD\$)	Monthly Rental (HKD\$) 月租 (HKD\$)
Corporate 公司會籍	11.25 M.	15.00 M.	60,000 up

Macau Golf Club 澳門高爾夫球鄉村俱樂部
www.mgccmacau.com



Type 類別	1st Hand Price (HKD\$) 一手價格 (HKD\$)	2nd Hand Price (HKD\$) 二手價格 (HKD\$)	Monthly Rental (HKD\$) 月租 (HKD\$)
	0.90 M.	1.15 M.	-----

Exhibit E



伯恩光學(香港)有限公司
BIEL CRYSTAL (HK) MANUFACTORY LTD

九龍官塘興業街16-18號美興工業大廈10字樓A座A1-A5室

Block A, 10/F., A1-A5 Mei Hing Ind. Bldg.,

16-18 Hing Yip Street, Kwun Tong, Kowloon.

TEL: (852) 23440101 FAX: (852) 27978939

April 27, 2016

The Hong Kong Golf Club
P.O. Box No. 1
Shek Wu Hui Post Office
New Territories
Hong Kong

Attn : Membership Department

Dear Sir,

Re: Notify of Transfer of Membership (Certificate No:0936)

We, Biel Crystal (HK) Manufactory Limited hereby notify the "Club" The Hong Kong Golf Club that our company would like to purchase the above membership from Pacific Andes International Holdings Limited. The purchase price is HK\$15,000,000.00 inclusive of the transfer fee of HK\$3,200,000.00 payable to the Club.

Biel Crystal (HK) Manufactory Limited shall pay the amount of HK\$15,000,000.00 to the Club as stakeholder money and the balance of payment shall be released to Pacific Andes International Holdings Limited after the deduction of the said transfer fee from the stakeholder money upon completion of the membership transfer.

If you need more information, please feel free to contact Ms Katherine Chan at Tel: 23440101 / 90201869.

Thank you for your kind attention.

Yours faithfully,

For and on behalf of

Biel Crystal (HK) Manufactory Limited

For and on behalf of

BIEL CRYSTAL (HK) MANUFACTORY LIMITED

伯恩光學(香港)有限公司

Authorized Signature(s)

Name: YEUNG KIN MAN

President

Exhibit F



PACIFIC ANDES

INTERNATIONAL HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)

Our Ref: 113/16

29th April, 2016

The Hong Kong Golf Club
P.O. Box No. 1
Shek Wu Hui Post Office
New Territories
Hong Kong

Attn : Membership Department

Room 3201-12 Hong Kong Plaza
186 Connaught Road West
Hong Kong
Telephone (852) 2547 0168
Facsimile (852) 2858 2764
Telex 89124 ANDPS HX
太平洋恩利國際控股有限公司
香港干諾道西186號
香港商業中心3201-12室
電話 : (852) 2547 0168
傳真 : (852) 2858 2764
電傳 : 89124 ANDPS HX

Dear Sir,

Re: Notification of Transfer of Membership (Certificate No.0936)

We, Pacific Andes International Holdings Limited, hereby notify the "Club" The Hong Kong Golf Club that our company would like to transfer the above mentioned membership to Biel Crystal (HK) Manufactory Limited. The selling price is HK\$15,000,000.00 inclusive of the transfer fee of HK\$3,200,000.00.

Biel Crystal (HK) Manufactory Limited shall pay the amount of HK\$15,000,000.00 to the "Club" as stakeholder money. The balance of HK\$11,800,000.00 shall be released by the "Club" to Pacific Andes International Holdings Limited after the deduction of the said transfer fee of HK\$3,200,000.00 from the stakeholder money upon completion of the transfer of the said membership.

If you need more information, please do not hesitate to contact Ms Susanna Fong at Tel: 25894112.

Thank you for your kind attention.

Yours faithfully,

For and on behalf of
PACIFIC ANDES INTERNATIONAL HOLDINGS LIMITED

Authorized Signature(s)

Ng Joo Puay, Frank
Director

Exhibit G

The Hong Kong Golf Club

(Incorporated under the Companies Ordinance as a Company Limited by Guarantee)



7 July 2016

Mr Yeung Kin Man
President
Biel Crystal (HK) Manufactory Ltd
Block A, 10/F, A1-A5 Mei Hing Ind Bldg
16-18 Hing Yip Street
Kwun Tong
Kowloon

Dear Mr Yeung,

I refer to your application for approval to purchase a nominee membership which was submitted on behalf of Biel Crystal (HK) Manufactory Ltd ("The Company").

Upon review by the Club's Legal & General Sub-committee this week, it was determined that The Company does not have sufficient trading history for the committee to approve this application. The committee has, therefore, requested for The Company to submit another application using a financial entity that is registered in Hong Kong that has more significant Net Assets and/or trading history. In this regard, please note that we will require audited financial statements from at least the last three years.

Thank you for your attention to this matter.

Yours sincerely,


Ian Gardner
General Manager

Fanling Clubhouse
Tel : 26701211
Fax : 26795183
Fanling Golf Shop
Tel : 26700647

Shek Wu Hui P.O. Box No.1
New Territories
Hong Kong

DWB Clubhouse
Tel : 28127070
Fax : 28127111
DWB Golf Shop
Tel : 28120334

Exhibit H

SALE AND PURCHASE AGREEMENT

This Agreement is made on July 12, 2016 between the Vendor and the Purchaser hereunder for transferring one Hong Kong Golf Club Corporate One Nominee Membership from the Vendor to the Purchaser in the following manner :-

1. **Pacific Andes International Holdings Limited (the "Vendor")** BR No. 17941213 of Room 3201-10, Hong Kong Plaza , 186 Connaught Road West, Hong Kong.
2. **Biel Crystal Manufactory Limited (the "Purchaser")** BR No. 37612367 of Room A5, Block A, 10/F., Mei Hing Industrial Building, 16-18 Hing Yip Street, Kwun Tong, Hong Kong.

3 Sale and Purchase of the Membership

Subject to the terms and conditions of this Agreement (in particular, approval by The Hong Kong Golf Club of the transfer contemplated under this Agreement and section 6(ii) hereto), the Vendor as beneficial owner shall sell and the Purchaser shall purchase one Corporate One nominee membership (Membership Certificate Number:0936) (the "Membership") of The Hong Kong Golf Club (the "Club") free and clear of all charges, mortgages, liens, encumbrances, equities and claims of any kind, together with all rights attaching to the Membership on and from the date of transfer of the Membership..

4 Consideration

- (i) The consideration for the transfer of the Membership from the Vendor to the Purchaser shall be HK\$15,000,000.00 (TOTAL HONG KONG DOLLARS FIFTEEN MILLION ONLY) (the "Consideration"), which includes the HK\$3,200,000.00 (HONG KONG DOLLARS THREE MILLION AND TWO HUNDRED THOUSAND ONLY) transfer fee payable to the Club as specified in the Articles of Association and the Bye-laws of the Club (together, the "Rules").
- (ii) The Consideration (which includes the requisite transfer fee) shall be paid by the Purchaser to the Vendor via the Club (which acts as stakeholder) in accordance with the applicable provisions of the Rules when requested by the Club but otherwise in accordance with Section 5 below. The Consideration will be held and handled by the Club and will be released to the Vendor (after deducting the requisite transfer fee) in accordance with the applicable provisions of the Rules whereby the Vendor will receive a net sum of HK\$11,800,000.00 (HONG KONG DOLLARS ELEVEN MILLION AND EIGHT HUNDRED THOUSAND ONLY)

5. Completion

The Purchaser and the Vendor shall separately inform the Club in writing within 7 working days after execution of this Agreement of the proposed transfer of the Membership, the name

and details of the Purchaser and the amount of the Consideration, and to apply simultaneously for the transfer of the Membership.

The Purchaser shall also provide to the Club the followings:-

- (1) copies of the Purchaser's annual reports and audited financial accounts for the preceding 3 years;
- (2) copies of the Purchaser's annual return for the preceding 3 years;
- (3) copy of the Purchaser's Memorandum and Articles of Association; and
- (4) any other information and documents as may be requested by the Club.

Within 10 working days after the receipt of the approval and the Nominee Membership Combined Form of Application for Transfer by the Club ("the Form") by each party, the Vendor shall complete and return its set of the Form to the Club together with its existing original membership certificate (No.0936), and the Purchaser shall complete and return its set of the Form to the Club together with a cheque in the sum of HK\$15,000,000.00 being the full payment of the Consideration by the Purchaser in favour of "The Hong Kong Golf Club".

If the Club refuses the application for the transfer of the Membership, this Agreement shall be terminated and the Vendor may sell the Membership to any other person as it thinks fit. The parties shall be absolutely discharged and released from any further obligations and liabilities under this Agreement. Neither party shall make any claim for loss or compensation against the other party, save in respect of any antecedent breaches.

6. Compensation for Termination by Default

- (i) If either party fails to comply with any provision of this Agreement, the other party may by 7 days written notice to the defaulting party forthwith rescind this Agreement and the defaulting party shall pay to the other party an amount equal to the aggregate of 10% of the Consideration as liquidated damages and 1% of the Consideration to cover the agency fee incurred or paid or payable by that other party. The rescission shall allow the Vendor to resell the Membership to any other person as it thinks fit.
- (ii) Prior to the Membership being transferred to the Purchaser, if any of the Vendor's warranties shall be found to be or shall become untrue or incorrect or any of the Vendor's undertakings have not been fully carried out in any respect, the Purchaser shall not be bound to complete the purchase of the Membership.

7. Warranties

7.1 The Vendor warrants to and undertakes with the Purchaser that: -

- (i) subject to the Rules and regulations of the Club, the Vendor will and until the Membership is transferred to the Purchaser have full power and authority to sell, convey, assign and transfer the Membership to the Purchaser pursuant to the terms of this Agreement free from any options, liens, claims, equities, charges, encumbrances or third party rights or interests of whatever nature;

- (ii) all moneys, fees, charges and expenses payable by the Vendor to the Club in relation to the Membership have been and will be duly and fully paid up to the day on which the Form is filed with the Club by the Purchaser;
- (iii) the Vendor has observed and performed and undertakes to observe and perform all the provisions of the Rules and regulations of the Club and any amendment thereto whether or not made subsequent to the date of this Agreement relating to the Membership until the Membership is transferred to the Purchaser;
- (iv) the Club has not suspended the Membership or placed any restriction on its transfer and there are no ongoing or pending disciplinary proceedings against the Vendor by the Club in relation to the Membership;
- (v) the Vendor has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder, and has taken all corporate actions necessary to authorise such execution, delivery and performance; and
- (vi) this Agreement constitutes the legally valid and binding obligations of the Vendor, enforceable against the Vendor in accordance with its terms.

7.2 The Purchaser warrants that:-

- (i) it is a company incorporated or registered in Hong Kong in accordance with the provisions of the Companies Ordinance;
- (ii) it is and has been actively trading for the preceding 3 years;
- (iii) it has no reasonable ground or knowledge to believe that the Club will object to the transfer of the Membership to the Purchaser;
- (iv) the Purchaser has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder, and has taken all corporate actions necessary to authorise such execution, delivery and performance; and
- (v) this Agreement constitutes the legally valid and binding obligations of the Purchaser, enforceable against the Purchaser in accordance with its terms.

8. Miscellaneous

- (i) Each party shall use its best endeavours to execute all such documents and perform all such acts and things as may be reasonably required to perform its obligations under this Agreement and fully and effectively to transfer the Membership from the Vendor to the Purchaser.
- (ii) Each party shall pay its own costs and expenses in connection with the preparation, negotiation and settlement of this Agreement.
- (iii) The Vendor shall use its best endeavours to procure that all moneys paid by the Purchaser to the Club in connection with the transfer of the Membership shall be refunded to the Purchaser if the transfer is not approved and registered by the Club for whatever reason.

- (iv) Neither party shall assign any of its rights and obligations under this Agreement to any other person without the prior written consent of the other party.
- (v) In the event of the transfer of the Membership to the Purchaser is rejected by the Club or the transaction not completed within three months from the date of this Agreement, this Agreement will automatically be terminated and treated as null and void without any compensation payable by either party and the Vendor can resell the Membership in the manner it thinks fit.


9. The Governing Law

This Agreement is governed by and shall be construed in accordance with the laws of the Hong Kong Special Administrative Region. Each of the parties hereto submits to the non-exclusive jurisdiction of the courts of the Hong Kong Special Administrative Region.

This Agreement has been executed by the parties the day and year first above written.

For and on behalf of
Pacific Andes International Holdings Limited


~~For and on behalf of
PACIFIC ANDES INTERNATIONAL HOLDINGS LIMITED~~


Authorized Signature(s)

Authorized Signature
Vendor

Date: 19 July 2016

For and on behalf of
~~Biel Crystal Manufactory Limited~~
BIEL CRYSTAL MANUFACTORY LIMITED
伯恩光學有限公司


Authorized Signature(s)

Authorized Signature
Purchaser

Date:

Exhibit I

This Amendment is made on Aug 18, 2016 between the Vendor and the Purchaser hereunder for transferring one Hong Kong Golf Club Corporate One Nominee Membership from the Vendor to the Purchaser in the following manner : -

1. **Pacific Andes International Holdings Limited** (the "Vendor") BR No. 17941213 of Room 3201-10, Hong Kong Plaza , 186 Connaught Road West, Hong Kong.

AND

2. **Biel Crystal Manufactory Limited** (the "Purchaser") BR No. 37612367 of Room A5, Block A, 10/F., Mei Hing Industrial Building, 16-18 Hing Yip Street, Kwun Tong, Hong Kong.

The consideration price HK\$15,000,000.00 (HONG KONG DOLLARS FIFTEEN MILLION) revise to HK\$15,100,000.00 (FIFTEEN MILLION ONE HUNDRED THOUSAND) for the transfer of the Membership from the Vendor to the Purchaser, which includes the transfer fee HK\$3,300,000.00 (HONG KONG DOLLARS THREE MILLION AND THREE HUNDRED THOUSAND ONLY)

This Agreement has been executed by the parties the day and year first above written.

For and on behalf of
Pacific Andes International Holdings Limited

For and on behalf of
Biel Crystal Manufactory Limited

For and on behalf of
PACIFIC ANDES INTERNATIONAL HOLDINGS LIMITED

For and on behalf of
BIEL CRYSTAL MANUFACTORY LIMITED
伯恩光學有限公司

[Redacted Signature Area]

[Redacted Signature Area]

Authorized Signature(s)

Authorized Signature(s)

(K)

Authorized Signature

Authorized Signature

Vendor

Purchaser

Date:

Date:

Exhibit J



伯 恩 光 學 有 限 公 司
BIEL CRYSTAL MANUFACTORY LIMITED

九龍官塘興業街16-18號美興工業大廈10字樓A座A1-A5室

Block A, 10/F., A1-A5 Mei Hing Ind. Bldg.,

16-18 Hing Yip Street, Kwun Tong, Kowloon.

TEL: (852) 23440101 FAX: (852) 27978939

Aug 18, 2016

The Hong Kong Golf Club
P.O. Box No. 1
Shek Wu Hui Post Office
New Territories
Hong Kong

Attn.: Membership Department

Dear Sir/ Madam,

Re: Notify of Transfer of Membership (Certificate No:0936)

We, **Biel Crystal Manufactory Limited** hereby notify the "Club" The Hong Kong Golf Club that our company would like to purchase the above membership from **Pacific Andes International Holdings Limited**. The purchase price is HK\$15,100,000.00 inclusive of the transfer fee of HK\$3,300,000.00 payable to the Club.

Biel Crystal Manufactory Limited shall pay the amount of HK\$15,100,000.00 to the Club as stakeholder money and the balance of payment shall be released to **Pacific Andes International Holdings Limited** after the deduction of the said transfer fee from the stakeholder money upon completion of the membership transfer.

If you need more information, please feel free to contact **Ms. Katherine Chan** at Tel.: 2344 0101 / 9020 1869.

Thank you for your kind attention.

Yours faithfully,
For and on behalf of
Biel Crystal Manufactory Limited
For and on behalf of
BIEL CRYSTAL MANUFACTORY LIMITED
伯 恩 光 學 有 限 公 司

[Redacted signature area]

Authorized Signature(s)

YEUNG KIN MAN JP
President



Our Ref: 162/16.1

18th August, 2016

The Hong Kong Golf Club
P.O. Box No. 1
Shek Wu Hui Post Office
New Territories
Hong Kong

Attn : Membership Department

Dear Sir,

Re: Notification of Transfer of Membership (Certificate No.0936)

We, Pacific Andes International Holdings Limited, hereby notify the "Club" The Hong Kong Golf Club that our company would like to transfer the above mentioned membership to Biel Crystal Manufactory Limited. The selling price is HK\$15,100,000.00 inclusive of the transfer fee of HK\$3,300,000.00.

Biel Crystal Manufactory Limited shall pay the amount of HK\$15,100,000.00 to the "Club" as stakeholder money. The balance of HK\$11,800,000.00 shall be released by the "Club" to Pacific Andes International Holdings Limited after the deduction of the said transfer fee of HK\$3,300,000.00 from the stakeholder money upon completion of the transfer of the said membership.

If you need more information, please do not hesitate to contact Ms Susanna Fong at Tel: 25894112.

Thank you for your kind attention.

Yours faithfully,

For and on behalf of
PACIFIC ANDES INTERNATIONAL HOLDINGS LIMITED



Authorized Signature(s)

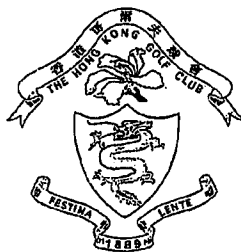
Ng Joo Puay, Frank
Director

Room 3201-12 Hong Kong Plaza
186 Connaught Road West
Hong Kong
Telephone (852) 2547 0168
Facsimile (852) 2858 2764
Telex 89124 ANDPS HX
太平洋恩利國際控股有限公司
香港干諾道西186號
香港商業中心3201-12室
電話：(852) 2547 0168
傳真：(852) 2858 2764
電傳：89124 ANDPS HX

Exhibit K

The Hong Kong Golf Club

(Incorporated under the Companies Ordinance as a Company Limited by Guarantee)



19 August 2016

Mr Yeung Kin Man JP
Biel Crystal Manufactory Limited
Block A 10/F A1-A5 Mei Hing Ind Bldg
16-18 Hing Yip Street
Kwun Tong Kowloon

Dear Mr Yeung,

**Transfer of Nominee Membership
from Pacific Andes International Holdings Limited, Certificate No. 936
to Biel Crystal Manufactory Limited**

We are pleased to advise you that the transfer of the above membership to Biel Crystal Manufactory Limited has been approved subject to the payment of the fee amounting to HK\$15,100,000. The transfer fee payable to the Club will be HK\$3,300,000 and the consideration will be HK\$11,800,000. Enclosed please find the debit note no. A4579 for your settlement.

Also enclosed herewith are the Combined Forms of Application for Transfer in duplicate and the necessary formalities are prescribed therein.

Please do not hesitate to contact us if you have any queries.

Yours sincerely

[Redacted]
Ian Gardner
General Manager

IG/LC/ey

Enc

cc Mr Frank Ng Joo Puay
Director
Pacific Andes International Holdings Limited
Room 3201-12 Hong Kong Plaza
186 Connaught Road West
Hong Kong

Fanling Clubhouse
Tel : 26701211
Fax : 26795183
Fanling Golf Shop
Tel : 26700647

Shek Wu Hui P.O. Box No.1
New Territories
Hong Kong

DWB Clubhouse
Tel : 28127070
Fax : 28127111
DWB Golf Shop
Tel : 28120334

THE HONG KONG GOLF CLUB

(Incorporated under the Companies Ordinance as a Company Limited by Guarantee)

**Nominee Membership
Combined Form of Application for Transfer**

- 1. Number of Certificate : 936
- 2. Name of Holder : Pacific Andes International Holdings Limited
- 3. Name of proposed Transferee : Biel Crystal Manufactory Limited
- 4. Consideration : HK\$11,800,000
- 5. Date of Application : 18 August 2016

Signed by

Signed by

.....
(authorised signatory)
for Holder

.....
(authorised signatory)
for proposed Transferee

For Club Use Only

"A"

Transfer fee payable to Club : HK\$3,300,000

Approved by :



Ian Gardner, General Manager

Date : 19 August 2016

Note : The Captain and General Committee of The Hong Kong Golf Club reserve the right to approve or reject any application for leave to transfer any Nominee Membership without giving any reason for so doing. In the event that a proposed Transfer is approved the Transfer Form set out overleaf must be completed in duplicate in every respect.

After the Transfer Form and Duplicate have been duly completed both should be returned to the General Manager, The Hong Kong Golf Club together with the appropriate Transfer fee mentioned at "A" above and together also with the existing Membership Certificate for cancellation. The General Manager will thereupon arrange for a new Certificate to be issued to the Transferee and will forward it together with the original Transfer Form and a receipt for the Transfer fee to the Transferee and will forward the duplicate Transfer Form to the Transferor.

No Transfer will be registered or Certificate issued until the appropriate Transfer fee has been paid to The Hong Kong Golf Club.

The registration of the Transferee as holder of a Nominee Membership and the

In consideration of the sum of HK\$ 11,800,000 now paid to me/us by
Biel Crystal Manufactory Limited (Transferee)
of Block A, 10/F, A1-A5 Mei Hing Ind Bldg, 16-18 Hing Yip Street, Kwun Tong, Kowloon
I/We Pacific Andes International Holdings Limited (Transferor)
of Room 3201-12, Hong Kong Plaza, 186 Connaught Road West, Hong Kong
do hereby transfer unto the said Biel Crystal Manufactory Limited
All that one Nominee Membership of The Hong Kong Golf Club Certificate No. 936
As Witness the hands of the above parties or their authorised officers this _____ day
of _____ 20 _____.

SIGNED by the said)
Pacific Andes International)
Holdings Limited)
_____)
(Transferor) in the)
presence of:)

Witness: Name _____
Address _____

SIGNED by the said)
Biel Crystal Manufactory)
Limited)
_____)
(Transferee) in the)
presence of:)

Witness: Name _____
Address _____

For Club Use Only

Transfer Fee paid
Old Certificate surrendered

Exhibit L

Alc Payee Only



伯恩光學有限公司
BIEL CRYSTAL MANUFACTORY LIMITED

日期: 25/8/2016
Date

新付
Pay

THE HONG KONG GOLF CLUB

或抬頭人
of order

港幣
HK Dollars

壹仟伍佰壹拾萬圓

\$ 15,100,000.00

For and on behalf of

伯恩光學有限公司

BIEL CRYSTAL MANUFACTORY LIMITED

The Hongkong and Shanghai Banking Corporation Limited
Kwun Tong Office: 1 Yue Man Square, Kowloon, Hong Kong SAR

香港上海滙豐銀行有限公司
觀塘分行 香港特別行政區九龍觀塘裕民坊一號

Authorized Signature(s)



THE HONG KONG GOLF CLUB

(Incorporated under the Companies Ordinance as a Company Limited by Guarantee)

Pay 祈付	PACIFIC ANDES INTERNATIONAL HOLDINGS LIMITED	Account No.	Reference No.
HK dollars 港幣	ELEVEN MILLION EIGHT HUNDRED THOUSAND DOLLARS ONLY		

TRIK (0800818)

03 09 2016
Day 日 Month 月 Year 年

HK \$ **11,800,000.00

The Hongkong and Shanghai Banking Corporation Limited
Hong Kong SAR
香港上海滙豐銀行有限公司
香港特別行政區
Member HSBC Group 滙豐集團成員

FOR AND ON BEHALF OF
THE HONG KONG GOLF CLUB



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

In re:

Chapter 11

**CHINA FISHERY GROUP LIMITED
(CAYMAN), et al.,¹**

Case No. 16-11895 (JLG)

Jointly Administered

Debtors.

**DECLARATION OF MR CHAN WAI HUNG IN SUPPORT OF DEBTORS'
MOTION TO (I) AUTHORIZE THE PRIVATE SALE OF GOLF CLUB
MEMBERSHIP NUNC PRO TUNC TO AUGUST 25, 2016, (II) APPROVE
THE TERMS OF THE SALE, (III) AUTHORIZE THE EMPLOYMENT,
RETENTION OF AND PAYMENT TO EVERFINE MEMBERSHIP SERVICES LIMITED,
AS BROKER, NUNC PRO TUNC TO JUNE 30, 2016**

Mr Chan Wai Hung, under penalty of perjury pursuant to 28 U.S.C. § 1746, declares as follows:

1. I am the Sales Director of Everfine Membership Services Limited ("**Everfine**") with offices located at Unit 922, 9/F., Star House, No. 3 Salisbury Road, Tsimshatsui, Kowloon, Hong Kong. I make this declaration (the "**Declaration**") of my personal knowledge based upon inquiries made by myself and on my behalf in support of that certain motion dated September 30, 2016 (the "**Motion**") of China Fishery Group Limited (Cayman) ("**China Fishery**"), and certain of its affiliated debtors and debtors-in-possession (collectively, the "**Debtors**"), for an entry of an order, pursuant to 11 U.S.C. §§ 105(a), 327, 328 and 363, among other things authorizing the employment, retention of and payment to Everfine Membership Services Limited, as broker, *nunc pro tunc* to June 30, 2016 (the "**Motion**").

¹ The Debtors are China Fishery Group Limited (Cayman) ("CFGL"), Pacific Andes International Holdings Limited (Bermuda) ("PAIH"), N.S. Hong Investment (BVI) Limited ("NS Hong"), South Pacific Shipping Agency Limited (BVI) ("SPSA"), China Fisheries International Limited (Samoa) ("CFIL"), CFGL (Singapore) Private Limited ("CFGLPL"), Chanery Investment Inc. (BVI) ("Chanery"), Champion Maritime Limited (BVI) ("Champion"), Growing Management Limited (BVI) ("Growing Management"), Target Shipping Limited (HK) ("Target Shipping"), Fortress Agents Limited (BVI) ("Fortress"), Ocean Expert International Limited (BVI) ("Ocean Expert"), Protein Trading Limited (Samoa) ("Protein Trading"), CFG Peru Investments Pte. Limited (Singapore) ("CFG Peru Singapore"), Smart Group Limited (Cayman) ("Smart Group"), and Super Investment Limited (Cayman) ("Super Investment").

2. Everfine is a Hong Kong-based regional operation specializing in providing brokerage services for the sale, rental and purchase of golf and country club, social club, marina and yacht club memberships, including memberships in the Golf Club. For these reasons, I believe that Everfine is well qualified to act as the Debtors' broker in the sale of corporate membership to The Hong Kong Golf Club (the "**Golf Club**"), memorialized by Certificate No. 0936 (the "**Golf Club Membership**") which is the subject of the Motion.

3. To the best of my knowledge, information, and belief, based on reasonable inquiry, (i) neither I, Everfine, or the other principals and directors of Everfine (the "**Everfine Principals**") that are providing services to the Debtors in these chapter 11 cases, nor the employees of Everfine who are anticipated to provide such services, hold or represent any interest adverse to any of the Debtors with respect to the matters on which Everfine is to be retained in these chapter 11 cases; and (ii) Everfine and the Everfine Principals have no relationship to the Debtors, any of the Debtors' significant creditors, other parties-in-interest, the United States Trustee, or any person employed by the office of the United States Trustee, or to the attorneys or other professionals that are known to be assisting the Debtors in these chapter 11 cases.

4. To investigate and disclose possible relationships with parties-in-interest in these cases, Everfine researched its client databases and performed reasonable due diligence to determine whether it had any relationships with the entities that were listed on schedules provided to Everfine by the Debtors in these chapter 11 cases which included the following: (a) the Debtors' and their affiliates; (b) the Debtors' key personnel, including its current directors and officers; (c) the Debtors' largest unsecured creditors; (d) the Debtors' investment bankers; (e) the attorneys, accountants and other professionals that the Debtors or certain other parties-in-interest in these chapter 11 cases have sought authority to employ or have employed in these chapter 11 cases; and (f) certain other parties-in-interest included on the schedules provided to Everfine by the Debtors.

5. From the internal review, Everfine has determined that there appear to be no relationships requiring disclosure. Despite the efforts described above to identify and disclose Everfine's connections with parties-in-interest in these chapter 11 cases, because the Debtors are a large enterprise, Everfine is unable to state with certainty that there are no client relationships or other connections that have to be disclosed. In this regard, if Everfine discovers additional material information that it determines requires disclosure, it will promptly file a supplemental disclosure with this Court.

6. Accordingly, to the best of my knowledge, Everfine and the Everfine Principals do not hold or represent any interest adverse to the Debtors, or their estates, and I believe that Everfine and the Everfine Principals are "disinterested persons" as that term is defined in Section 101(14) of the Bankruptcy Code.

7. Everfine and debtor Pacific Andes International Holdings Limited (Bermuda) ("**PAIH**") entered into a sale confirmation agreement for the Golf Club Membership, dated April 25, 2016 (the "**Confirmation Agreement**"). Pursuant to the Confirmation Agreement, a 1% service fee (or HK\$150,000 which is approximately US\$19,345.48)² was to be paid by PAIH to Everfine upon completion of the transfer of the Golf Club Membership.

8. The 1% service fee is consistent with the fees typically charged by Everfine and similar brokers with similar clients for the brokering of golf club membership such as the Golf Club Membership. Everfine has not received a retainer in connection with these chapter 11 cases. Everfine has received no promises regarding fees in these cases other than in accordance with the Bankruptcy Code and as set forth in this Declaration. Everfine has no agreement with any other entity to share any compensation received nor will any be made in these cases.

9. Given the nature of Everfine's agreement with PAIH, Everfine will not be billing the Debtors by the hour and will not be keeping records of time spent for professional services rendered

² All conversion calculations are performed as of September 28, 2016 at a rate of HK\$1 = US\$0.13.

in these chapter 11 cases. Everfine will not be filing formal fee applications for approval of its fee with, as set forth above, is set at a 1% service fee. Upon PAIH's entry into a second sale and purchase agreement for the Golf Club Membership, on or about July 12, 2016, (the "July 2016 Agreement") and subsequent amendment to the July 2016 Agreement dated August 18, 2016 (the "Amendment"), which increased the purchase price to HK\$15,100,000.00 (or approximately USD\$1,947,444.89), the 1% service fee due to Everfine however, remained at HK\$150,000 (or approximately US\$19,345.48), due upon completion of the transfer of the Golf Club Membership.

10. Based on available information, Everfine believes that the fair market value of a second-hand membership in the Golf Club, such as the Golf Club Membership, is approximately HK\$15,000,000 (or approximately USD\$1,934,547.90) and that PAIH obtained the highest and best price for the Golf Club Membership.

Pursuant to 28 U.S.C. § 1746, I hereby declare under penalty of perjury under the laws of the United States of America that the foregoing statements are true and correct to the best of my knowledge, information and belief.

Executed on September 30, 2016

in Hong Kong, Special Administrative Region of the People's Republic of China

