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CARNIVAL GROUP
INTERNATIONAL

Carnival Group International Holdings Limited

嘉年華國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00996)

QUARTERLY UPDATE ON RESUMPTION PROGRESS

Reference is made to the announcements of the Company dated 6 March 2020, 12 January 2022, 13 January 2022, 19 January 2022, 25 February 2022, 30 March 2022 and 13 May 2022 (the “**Announcements**”) in relation to, among other matters, the annual results of the Group for the year ended 31 December 2020 and the delay in publication of the annual results of the Group for the year ended 31 December 2021. Capitalised terms used herein shall have the same meanings as defined in the Announcements unless otherwise stated.

UPDATE ON RESUMPTION PROGRESS

As disclosed in the Announcements, the Stock Exchange provided a set of resumption guidance for the Company to: (a) publish all outstanding financial results required under the Listing Rules and address any audit modifications; (b) demonstrate the Company’s compliance with Rule 13.24; (c) have the winding-up order against the Company withdrawn or dismissed; and (d) inform the market of all material information for the Company’s shareholders and investors to appraise the Company’s position.

The Stock Exchange required the Company to remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange's satisfaction before trading in its securities is allowed to resume and, for this purpose, the Company has the primary responsibility to devise its action plan for resumption. The Stock Exchange also indicated that it may modify or supplement the Resumption Guidance if the Company's situation changes.

Under Rule 6.01A, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, the 18-month period expires on 24 August 2023. If the Company fails to remedy the issues causing its trading suspension, fulfill the resumption guidance and fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in the Shares by 24 August 2023, the Listing Division will recommend the Listing Committee to proceed with the cancellation of the Company's listing. Under Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period, where appropriate.

The Company is taking appropriate steps to resolve the issues causing its trading suspension and to fully comply with the Listing Rules to the Stock Exchange's satisfaction. The status of resumption since the suspension of trading in the shares of the Company are summarized as follows:

UPDATE ON THE PETITION

Hearing of the Zhang's Petition has been adjourned to 23 August 2022. The Company will keep its shareholders informed of any significant developments by way of further announcement(s) as and when appropriate.

OUTSTANDING FINANCIAL RESULTS

As at the date of this announcement, the Group is still in the course of preparing and finalising its audited financial results for the year ended 31 December 2021. Further details of the Group's financial results and performance will be disclosed in the annual results announcement of the Company for the year ended 31 December 2021, which is expected to be published on 31 August 2022.

The 2021 Annual Report will be delayed as additional time is required in order to obtain further information required by the Company and the auditors of the Company in connection with, among others, including but not limited to 1) the preparation of financial statements of certain operating subsidiaries for the year ended 31 December 2021; 2) valuation reports on certain assets; and 3) the return of the audit confirmations from debtors, creditors and financial institutions.

Accordingly, because of the above reasons, the auditors of the Company needs more time to complete the audit procedure of the Group. It is expected that the reporting and audit process can be completed as soon as possible when the auditors has obtained the required audit evidence. The Company will use its best endeavor and will take all necessary steps to publish the 2021 Annual Results and despatch the 2021 Annual Report as soon as practicable. The Company will inform the shareholder of material developments and the resumption progress as and when appropriate.

BUSINESS UPDATE

The Company is a holding company and the Group is principally engaged in the theme-based leisure and consumption business, focusing on the design, development and operation of integrated large scale tourist complex projects in key cities in and outside the People's Republic of China (the “**PRC**”) that comprise of theme parks, hotels, shopping and leisure facilities, as well as other theme-based consumption.

On 19 January 2022, the Company announced that the Bankruptcy Reorganisation proposal (“**the Proposal**”) of its indirect non-wholly-owned subsidiary, Rio Carnival had been approved by its creditors. On 20 January 2022, the Proposal was approved by the People's Court of Huangdao District, Qingdao City, Shandong Province, the PRC. Under the Proposal, the Company will dispose the underlying assets of Rio Carnival to a reorganisation investor. The Company is assessing the financial and operational impact of the Proposal.

The Board remains committed to improve the long-term financial performance and business operations of the Group over time with a view to fulfil the requirements set out in the Resumption Guidance.

In this connection, the Board shall continue to review and, where necessary, modify its business strategies, which currently comprise of, among others, (i) streamlining the existing cost structures of the Group's different business segments to improve overall business and cost efficiencies; and (ii) in relation to the Resumption Guidance, the Company is exploring different means to satisfy the resumption conditions, including, among others, adoption of measures to improve and strengthen the business capabilities of the Group as well as seeking potential new business opportunities with a view to broaden its income base, enhance its long-term growth potential and further improve the overall financial performance of the Group.

As at the date of this announcement, no definitive agreement in relation to any acquisition and/or disposal which constitutes a notifiable transaction has been entered into by the Company, and the aforesaid strategies may or may not lead to any notifiable transactions, and there is no certainty that any definitive agreement will be reached. The Company will make further announcement(s) in accordance with the Listing Rules as and when appropriate.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company has been suspended with effect from 9:00 a.m. on Friday, 25 February 2022 and will remain suspended until the Company fulfils the Resumption Guidance.

Shareholders and potential investors should accordingly exercise caution when dealing in the securities of the Company.

By order of the board
Carnival Group International Holdings Limited
Tang Runtao
Executive Director

Hong Kong, 24 May 2022

The Board, as at the date of this announcement, comprises Mr. Tang Runtao as executive Director, and Mr. Chau Wai Hing, Mr. Ma Hang Kon Louis and Mr. Tso Hon Sai Bosco as independent non-executive Directors.