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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)

ANNOUNCEMENT

INSIDE INFORMATION AND RESUMPTION OF TRADING

This announcement is made by Carnival Group International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.10 of the Listing Rules.

Reference is made to the announcement of the Company dated 21 March 2019 (the “**Announcement**”) in relation to the trading halt in the shares (stock code: 996) and the debt securities (stock code: 5619) of the Company on the Stock Exchange.

PROFIT WARNING

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review on the unaudited management account of the Group and information currently available to the Board, subject to (1) the results of valuation to be finalised by independent valuer of the Company; and (2) further review by the auditors of the Company, the Group expects to record substantial loss of more than HK\$3,000 million for the year ended 31 December 2018, as compared to a profit attributable to the owners of the Company of approximately HK\$525 million for the year ended 31 December 2017.

The expected loss for the year ended 31 December 2018 was mainly due to, among other things, (1) impairment loss on the properties of approximately HK\$610 million; (2) the loss arising from changes in the fair value of the Group’s investment properties of approximately HK\$290 million; (3) impairment loss on deposit and other receivables of approximately HK\$1,000 million; (4) the loss arising from securities investment of approximately HK\$250 million; (5) the provision for loss on investment of approximately HK\$600 million; and (6) decrease in the gross profit margin of the property development segment of the Company.

The expected loss for the year ended 31 December 2018 is expected to be affected by impairment loss arising from the loss allowance on the expected credit losses of other receivables after adopting the Hong Kong Financial Reporting Standard 9 “Financial Instruments”, which has changed the Group’s impairment model by replacing the Hong Kong Accounting Standard 39 “incurred loss model” to “expected credit losses model”. The extent of any such impairment loss is subject to the results of valuation to be finalised by an independent valuer engaged by the Company. Accordingly, the substantial loss for the year ended 31 December 2018 could exceed that disclosed in this announcement.

The Company is in the process of finalizing the consolidated final results of the Group for the year ended 31 December 2018. The information contained in this announcement is only based on a preliminary assessment by the management of the Company of information currently available to the Board, and is not based on any figures or information which have been audited by the auditors of the Company. The information contained in this announcement is subject to possible adjustments arising from further review. Shareholders and potential investors are advised to read carefully the announcement of the results of the Group for the year ended 31 December 2018 which is expected to be released by the end of March 2019.

UNUSUAL PRICE MOVEMENT

The Board noted the decrease in the price and the increase in the trading volume of the shares of the Company on 20 March 2019.

Mr. King Pak Fu (“**Mr. King**”), Chairman, Chief Executive Officer and substantial shareholder of the Company, for himself and on behalf of Better Joint Venture Limited (“**Better Joint**”), a company wholly-owned by Mr. King, Glory Merit International Holdings Limited (“**Glory Merit**”), a company owned by Mr. King as to 99% of the share equity, and Elite Mile Investments Limited (“**Elite Mile**”), a company wholly-owned by Mr. King, informed the Company that there was a forced sale of an aggregate of 1,035,520,000 shares of the Company held by Better Joint, Glory Merit and Elite Mile on the Stock Exchange on 20 March 2019, arising from part enforcement of share charges and/or margin financings in respect of certain shares held by Better Joint, Glory Merit and Elite Mile by certain securities brokers, and as a result of the above forced sale, the shareholding interest held by Mr. King in the Company was reduced from approximately 40.32% to approximately 35.97% on 20 March 2019.

Mr. King reported to the Board, for himself and on behalf of Better Joint, Glory Merit and Elite Mile, that after making reasonable enquiries, Better Joint, Glory Merit, Elite Mile (together with Mr. King and other companies controlled by Mr. King holds 8,551,071,016 shares in the Company, representing approximately 35.97% of the issued share capital of the Company, as of the date of this announcement, of which:

- (a) 7,822,144,018 shares in the Company, representing approximately 32.90% of the issued share capital of the Company, are currently subject to share charges or margin financing in respect of borrowings in the aggregate amount of approximately HK\$917,561,132, of which:
 - (i) 121,300,000 shares in the Company, representing approximately 0.51% of the issued share capital of the Company, are currently charged to CCB International Securities Limited, in respect of borrowings in the amount of approximately HK\$4,216,342;
 - (ii) 1,469,208,558 shares in the Company, representing approximately 6.18% of the issued share capital of the Company, are currently charged to Haitong International Securities Limited, in respect of borrowings in the amount of approximately HK\$101,574,370;

- (iii) 2,550,000,000 shares in the Company, representing approximately 10.73% of the issued share capital of the Company, are currently charged to Kingston Securities Limited and Kingston Finance Limited, in respect of borrowings in the amount of approximately HK\$265,029,637;
 - (iv) 435,506,749 shares in the Company, representing approximately 1.83% of the issued share capital of the Company, are currently charged to Emperor Securities Limited, in respect of borrowings in the amount of approximately HK\$64,044,158; and
 - (v) 3,246,128,711 shares in the Company, representing approximately 13.65% of the issued share capital of the Company, are currently charged to Huarong International Securities Limited, in respect of borrowings in the amount of approximately HK\$482,696,625.
- (b) 728,926,998 shares in the Company, representing approximately 3.07% of the issued share capital of the Company, are unencumbered and not subject to any share charge and/or margin financing.

The Board also noted that the number of shareholding reported to the Board is not consistent with the disclosure of interests notices filed by Mr. King and the companies controlled by Mr. King. The Board is enquiring into the issue and has requested Mr. King and the companies controlled by Mr. King to file, where necessary, disclosure of interests notices.

INSIDE INFORMATION

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, save as disclosed in this announcement, the Board is not aware of any inside information that needs to be disclosed under Part XIVA of the SFO.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares and the debt securities of the Company on the Stock Exchange was halted with effect from 9:00 a.m. on Thursday, 21 March 2019 pending release of this announcement.

The Company has applied to the Stock Exchange for resumption of trading in the shares and the debt securities of the Company on the Stock Exchange with effect from 9:00 a.m. on Monday, 25 March 2019.

Shareholders and potential investors of the Company are advised to exercise caution in dealing in the shares and the debt securities of the Company.

By Order of the Board
Carnival Group International Holdings Limited
King Pak Fu
Chairman and Chief Executive Officer

Hong Kong, 25 March 2019

The Board, as at the date of this announcement, comprises Mr. King Pak Fu (Chairman and Chief Executive Officer), Mr. Bai Xuefei and Ms. Qian Hui as executive Directors, and Mr. Chan Wai Cheung Admiral, Mr. Lie Chi Wing and Ms. Hu Gin Ing as independent non-executive Directors.