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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)

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

Placing Agent



VC BROKERAGE LIMITED

滙盈證券有限公司

VC Brokerage Limited

On 13 May 2021 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has conditionally agreed to procure not less than six (6) Placees to subscribe for the Placing Shares at the Placing Price of HK\$0.10 per Placing Share.

The Placing Shares to be placed under the Placing Agreement will be allotted and issued pursuant to the Specific Mandate to allot and issue the Placing Shares to be approved and granted to the Directors by the Shareholders at the SGM.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement.

Assuming all the Placing Shares are successfully placed, the estimated aggregate gross and net proceeds of the Placing will be HK\$68 million and approximately HK\$66 million respectively, which are intended to be used for general working capital of the Group.

LISTING RULES IMPLICATIONS

The Placing Shares will be allotted and issued under the Specific Mandate to be approved by an ordinary resolution to be proposed for passing by the Shareholders at the SGM.

The Placing will be subject to the approval of the Shareholders. The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Placing Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate to allot and issue the Placing Shares).

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Placing Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate to allot and issue the Placing Shares).

A circular containing, among other things, (i) further details about the Placing Agreement and the transactions contemplated thereunder; and (ii) the notice convening the SGM will be despatched to the Shareholders as soon as practicable in compliance with the Listing Rules.

WARNING OF THE RISKS OF DEALING IN THE SHARES

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement and therefore, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

CONTINUED SUSPENSION OF TRADING

Trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 30 April 2021 pending the publication of the announcement in relation to the audited financial results of the Group for the year ended 31 December 2020.

THE PLACING

The Placing Agreement

Date: 13 May 2021 (after trading hours of the Stock Exchange)

Issuer: The Company

Placing Agent: VC Brokerage Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Pursuant to the Placing Agreement, the Placing Agent has conditionally agreed to procure not less than six (6) Placees to subscribe for the Placing Shares at the Placing Price of HK\$0.10 per Placing Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the Placing Shares represent:

- (i) approximately 71.74% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 41.77% of the issued share capital of the Company as enlarged by the issue of the Placing Shares.

The aggregate nominal value of the Placing Shares is HK\$6,800,000.

The Placing Price

The Placing Price for the Placing Shares is HK\$0.10 per Placing Share and represents:

- (i) a premium of approximately 5.26% to the closing price of HK\$0.095 per Share as quoted on the Stock Exchange on 29 April 2021, being the last trading date prior to the signing of the Placing Agreement; and
- (ii) a discount of approximately 0.2% to the average closing price of HK\$0.1002 per Share as quoted on the Stock Exchange for the five trading days up to and including 29 April 2021.

The Placing Price was determined with reference to the prevailing market price of the Shares, which was arrived at after arm's length negotiation between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the Placing Price is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Assuming all the Placing Shares are successfully placed, the gross proceeds and net proceeds from the Placing will be HK\$68 million and approximately HK\$66 million respectively and the net Placing Price per Placing Share is approximately HK\$0.097.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank *pari passu* among themselves and with the Shares then in issue.

Placee(s)

The Placing Agent has agreed to procure not less than six Placees, who and whose ultimate beneficial owners will be Independent Third Parties. The Placing Agent shall use its best endeavours to ensure that, among others, (a) each and every of the Placee is an Independent Third Party; (b) no Placee(s) will become a substantial Shareholder of the Company (as defined under the Listing Rules) forthwith upon Completion; and (c) no Placee shall be required to make any mandatory general offer for the Shares pursuant to Rule 26.1 of the Takeovers Code.

Placing commission

The Placing Agent shall receive a placing commission of 2.5% of the aggregate amount of the Placing Price multiplied by the number of the Placing Shares placed.

The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement (including the Placing Price and placing commission) are on normal commercial terms and are fair and reasonable.

Conditions of the Placing

The Placing Agreement is conditional upon the fulfillment of all of the following conditions:

- (a) the Shareholders having approved the Specific Mandate at the SGM;
- (b) the Listing Committee having granted or agreeing to grant approval for the listing of, and permission to deal in, the Placing Shares, and such approval not having been revoked, suspended, withdrawn or cancelled, or threatened with any revocation, suspension, withdrawal or cancellation at any time prior to the Long Stop Date;
- (c) the Company having complied with, and procured for the compliance with, all law as well as all conditions (if any) imposed by the Stock Exchange or by any other competent authority for issuance and allotment of the Placing Shares as well as the listing of and permission to deal in the Placing Shares and ensure the continued compliance thereof (provided in each case that the Placee(s) complies with and satisfies all such conditions);
- (d) the Shares remaining listed on the Main Board of the Stock Exchange, and that the listing status of the Shares not being subject to or threatened with any revocation, suspension, withdrawal or cancellation at any time prior to the Long Stop Date;
- (e) the Winding-Up Petitions having been dismissed or permanently stayed; and
- (f) the Company's representations and warranties made pursuant to the Placing Agreement being true and accurate and not misleading up to Completion.

If the conditions precedent are not fulfilled (conditions (e) and (f) may be waived by the Placing Agent) by the Long Stop Date, either party to the Placing Agreement may, at any time thereafter, terminate the Placing Agreement by notice in writing to the other party thereto, whereupon the obligations under the Placing Agreement shall forthwith cease and terminate and neither the Company nor the Placing Agent shall have any claim against the other.

Termination of the Placing

If at any time between the execution of the Placing Agreement and at 5:00 p.m. on the Business Day immediately prior to the Placing Completion Date, there occurs:

- (a) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affects the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s));
- (b) the occurrence of any local, national or international event or change occurring after the date of the Placing Agreement of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affects the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s));
- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs after the date of the Placing Agreement which materially and adversely affects the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s));
- (d) the Company commits any material breach of or omits or fails to observe any of its obligations or undertakings under the Placing Agreement and fails to rectify the same within a reasonable time upon the requests made the Placing Agent; or
- (e) any of the representations or warranties contained in the Placing Agreement was, when given or deemed to be repeated under the Placing Agreement, untrue or inaccurate in any material respect or would in any material respect be untrue or inaccurate, or if repeated the Placing Agent shall determine in its reasonable opinion that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Company or will otherwise likely to have a material prejudicial effect on the Placing,

then the Placing Agent may upon giving notice to the Company terminate the Placing Agreement with immediate effect. If the Placing Agreement shall be terminated pursuant to the above force majeure events, the obligations of the Placing Agent shall cease and determine, and the Company shall not be liable to pay any Placing Commission and expenses, and other provisions of the Placing Agreement shall forthwith cease and determine and no Party shall have any claim against the other Party for compensation, costs, damages or otherwise.

Specific Mandate to issue the Placing Shares

The Placing Shares will be allotted and issued pursuant to the Specific Mandate to be sought from the Shareholders at the SGM. The Specific Mandate, if approved, will be valid until the completion of the Placing or termination of the Placing Agreement.

Completion of the Placing

Completion of the Placing will take place within five (5) Business Days after the Long Stop Date (or such later date as the Company and the Placing Agent may agree in writing).

Listing of the Placing Shares

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after completion of the Placing (assuming all the Placing Shares are successfully placed):

Shareholders	As at the date of this announcement		Immediately after completion of the Placing (assuming all Placing Shares are successfully placed)	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Mr. King Pak Fu and his associates	294,497,770	31.07	294,497,770	18.09
China Huarong Asset Management Co., Ltd.* (中國華融資產管理股份有限公司)	145,145,548	15.31	145,145,548	8.92
Placees	-	-	680,000,000	41.77
Other public Shareholders	508,165,505	53.62	508,165,505	31.22
Total	947,808,823	100.00	1,627,808,823	100.00

Note: The percentages may not add up to total due to rounding.

EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not conducted any other equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

USE OF PROCEEDS

Assuming all the Placing Shares are successfully placed, the gross proceeds of the Placing will be HK\$68 million. The net proceeds of the Placing, after the deduction of the relevant commission and other related expenses, is estimated to be approximately HK\$66 million, which are intended to be used for general working capital of the Group.

REASONS FOR THE PLACING

The Company is a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 996). The Company and its subsidiaries are principally engaged in theme based leisure and consumption business, focusing on the design, development and operation of integrated large-scale tourist complex projects in key cities in the PRC that comprise of theme parks, hotels, shopping and leisure facilities as well as other theme based consumption.

In view of the recent market conditions, the Directors consider that the Placing represent opportunities for the Company to raise funding to support the Group's continuous development and business growth as well as daily operating expenses whereby it will not increase the burden on interest payment as compared with debt fund raising, which is in the interest of the Company and its Shareholders as a whole.

Apart from further strengthening the capital base and financial position of the Company, the Placing will also broaden the shareholder base of the Company. As such, the Directors (including the independent non-executive Directors of the Company) consider that the terms of the Placing Agreement and the transaction contemplated thereunder are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Placing will be subject to the approval of the Shareholders. The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Placing Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate to allot and issue the Placing Shares).

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Placing Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate to allot and issue the Placing Shares).

To the best of the knowledge, information and belief of the Directors, no Shareholder has a material interest in the transactions contemplated under the Placing Agreement and will be required to abstain from voting on the resolution to approve the Placing Agreement and the transactions contemplated thereunder at the SGM.

A circular containing, among other things, (i) further details about the Placing Agreement and the transactions contemplated thereunder; and (ii) the notice convening the SGM, will be despatched to the Shareholders as soon as practicable in compliance with the Listing Rules.

WARNING OF THE RISKS OF DEALING IN THE SHARES

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement and therefore, the Placing may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

CONTINUED SUSPENSION OF TRADING

Trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 30 April 2021 pending the publication of the announcement in relation to the audited financial results of the Group for the year ended 31 December 2020.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws for the time being adopted by the Company and as amended from time to time
“Business Day(s)”	any day (excluding Saturdays) on which commercial banks generally are open for normal banking business in Hong Kong
“Company”	Carnival Group International Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange (Stock code: 996)
“Completion”	the completion of the Placing, which shall be take place on any Business Day falling with five (5) Business Days after the Long Stop Date (or such later date as the parties to the Placing Agreement may agree in writing)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	third parties independent of and not connected (as defined under the Listing Rules) with the Company and its connected person(s)
“Listing Committee”	the listing committee appointed by the Stock Exchange for considering applications for listing and approving the listing of and dealing with securities on the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	any Business Day not later than 29 October 2021, being the date on which all the conditions precedent of the Placing have been satisfied or fulfilled, and the parties to the Placing Agreement may agree in writing to have the Long Stop Date postponed (or further postponed) to a subsequent Business Day
“Placee(s)”	any investor who is an individual, institutional or professional investor selected and/or procured by or on behalf of the Placing Agent as contemplated by the Placing Agreement and is (i) independent of the Company (and the Group), its connected person(s) and their respective associate(s), and (ii) independent of and not parties acting in concert with any persons, other Placee(s) or Shareholders to the effect that any Placing to such investor shall not trigger any mandatory offer obligation under Rule 26.1 of the Takeovers Code, procured by the Placing Agent to subscribe for the Placing Shares pursuant to the Placing Agent’s obligations hereunder
“Placing”	the placing of the Placing Shares under and in accordance with the Placing Agreement
“Placing Agent”	VC Brokerage Limited, a licensed corporation carrying out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO
“Placing Agreement”	the placing agreement entered into between the Company and the Placing Agent on 13 May 2021 in respect of the Placing
“Placing Price”	HK\$0.10 per Placing Share
“Placing Share(s)”	up to 680,000,000 new Shares to be placed pursuant to the Placing Agreement

“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held to consider the special resolution to be proposed to approve the Placing Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate to allot and issue the Placing Shares)
“Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Specific Mandate”	the specific mandate to be sought from and, if approved, granted by the Shareholders to the Directors at the SGM for the allotment and issuance of the Placing Shares pursuant to the Placing Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission
“Winding-Up Petitions”	the Winding-Up Petition presented against the Company under Companies (Winding-Up) No. 48 of 2020 in the Court and the Winding-Up Petition presented against the Company under Companies (Winding-Up) No. 66 of 2021 in the Court of First Instance of the High Court of Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the board
Carnival Group International Holdings Limited
Luo Jiaqi
Executive Director

Hong Kong, 13 May 2021

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

**for identification purpose only*