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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)

ISSUANCE OF RMB500,000,000 11.5% SENIOR BONDS DUE 2016

On 27 November 2014, the Company entered into the Subscription Agreement with Haitong International in connection with the issue of RMB500,000,000 11.5% Senior Bonds due 2016.

The gross proceeds of the Bonds Issue will amount to RMB500,000,000. After deducting the commissions and other estimated expenses payable in connection with the offering, the Company intends to use the net proceeds from the Bonds Issue to repay certain existing debts and use the remainder for general corporate purposes.

The Company will seek a listing of the Bonds on the Stock Exchange. A confirmation of the eligibility of the listing of the Bonds has been received from the Stock Exchange for the issuance and listing of the Bonds by way of debt issues to professional investors only as described in the offering circular. Admission of the Bonds to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Bonds.

The Board is pleased to announce that on 27 November 2014, the Company, together with the Subsidiary Guarantors, entered into the Subscription Agreement with Haitong International in connection with the Bonds Issue in the aggregate principal amount of RMB500,000,000.

THE SUBSCRIPTION AGREEMENT

Date: 27 November 2014

Parties to the Subscription Agreement

- (a) the Company;
- (b) the Subsidiary Guarantors; and
- (c) Haitong International.

Haitong International is the sole global coordinator and sole bookrunner in respect of the Bonds Issue. Haitong International is also the initial subscriber of the Bonds. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Haitong International is independent of the Company and its connected persons.

The Bonds have not been, and will not be, registered under the Securities Act. The Bonds will only be offered and sold by the initial subscriber only outside the United States in compliance with Regulation S under the Securities Act. None of the Bonds will be offered to the public in Hong Kong, the United States or any other jurisdiction or be placed to any connected person of the Company.

Closing of the Subscription Agreement and the Bonds Issue are subject to fulfilment of certain conditions precedent, expected to take place on or about 4 December 2014.

Principal terms of the Bonds

The following is a summary of certain terms and conditions of the Bonds. This summary is not complete and is qualified in its entirety by reference to provisions of the documents relating to the Bonds.

Bonds Offered

Subject to the fulfilment of certain conditions precedents set out in the Subscription Agreement, the Company will issue the Bonds in the aggregate principal amount of RMB500,000,000, which will mature on 4 December 2016 unless earlier redeemed pursuant to the terms thereof.

Issue Price

The Issue Price of the Bonds will be 100% of the principal amount of the Bonds.

Interest

The Bonds will bear interest from and including, 4 December 2014 at the rate of 11.5% per annum, payable semi-annually in arrear on 4 June and 4 December in each year, commencing on 4 June 2015.

Subsidiary Guarantees

Each of the Subsidiary Guarantors will, jointly and severally, guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Bonds. The Company may also be required to cause certain additional offshore subsidiaries to give guarantees in the future under certain circumstances in accordance with the terms and conditions of the Bonds.

Ranking of the Bonds

The Bonds will constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Company and shall rank *pari passu* and without any preference or priority among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Company, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

Events of default

The events of default under the Bonds will include, among others:

- (1) default in the payment of principal of (or premium, if any, on) the Bonds when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;
- (2) default in the payment of interest on any Bond when the same becomes due and payable, and such default continues for a period of 30 consecutive days;
- (3) the failure by the Company to make or consummate an offer to purchase the Bonds from the holders of the Bonds when certain of the Company's subsidiaries consummate an asset sale as provided under the terms and conditions of the Bonds;
- (4) the Company or certain of its subsidiaries defaults in the performance of or breaches any other covenant or agreement in the Trust Deed or under the Bonds (other than a default specified in (1) or (2) above) and such default or breach continues for a period of 30 consecutive days after written notice by the trustee;

- (5) there occurs with respect to any indebtedness of the Company or certain of its subsidiaries having an outstanding aggregate principal amount of US\$20.0 million (or the dollar equivalent thereof) or more, (a) an event of default that has caused the holder thereof to declare such indebtedness to be due and payable prior to its stated maturity and/or (b) the failure to pay principal payment when due;
- (6) one or more final judgments or orders for the payment of money are rendered against the Company or certain of its subsidiaries and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all of them to exceed US\$20.0 million (or the dollar equivalent thereof) (in excess of amounts which the Company's insurance carriers have agreed to pay under applicable policies) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;
- (7) an involuntary case or other proceeding is commenced against the Company or certain of its subsidiaries with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or certain of its subsidiaries or for any substantial part of the property and assets of the Company or certain of its subsidiaries and such case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days, or an order for relief is entered against the Company or certain of its subsidiaries under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;
- (8) the Company or certain of its subsidiaries (a) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (b) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or certain of its subsidiaries, or for all or substantially all of the property and assets of the Company or certain of its subsidiaries or (c) effects any general assignment for the benefit of creditors (other than, in each case under (a) and (b), any of the foregoing that arises from any solvent liquidation or restructuring of certain of its subsidiaries in the ordinary course of business); and
- (9) any Subsidiary Guarantor or any JV Subsidiary Guarantor denies or disaffirms its obligations under its guarantee or, except as permitted by the Trust Deed, any such guarantees are determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect.

If an event of default (other than an event of default specified in clause (7) or (8) above) occurs and is continuing under the Trust Deed, the trustee, by written notice to the Company, may, and the trustee at the written request of holders of at least 25% in aggregate principal amount of the Bonds then outstanding or if instructed by an extraordinary resolution of the Bondholders shall, subject in any such case to being indemnified and/or secured and/or pre-funded to its satisfaction, declare the principal of, premium, if any, and accrued and unpaid interest on the Bonds to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable.

If an event of default specified in (7) and (8) above occurs with respect to the Company or certain of its subsidiaries, the principal of, premium, if any, and accrued and unpaid interest on the Bonds then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the trustee.

Covenants

The Bonds and the Trust Deed will limit the ability of the Company and certain of its subsidiaries to, among other things:

- incur indebtedness or issue preferred stock;
- declare dividends on its capital stock or purchase or redeem capital stock;
- make investments or other restricted payments;
- issue guarantees by certain of its subsidiaries;
- create liens;
- enter into sale and leaseback transactions;
- sell assets; and
- enter into transactions with shareholders or affiliates.

The Company is also required to maintain certain financial ratio and a net tangible worth.

Optional redemption

The Company may at its option redeem the Bonds, in whole or in part, at any time and from time to time on or after the date which is one year from the original issue date at a redemption price equal to 105% of the principal amount of the Bonds plus accrued and unpaid interest to the redemption date.

Redemption for taxation reasons

The Company may redeem the Bonds in whole, but not in part, at any time at their principal amount together with accrued and unpaid interest, if the Company is or will be obliged to pay additional tax amounts in respect of the Bonds as a result of any change in, or amendment to, the laws or regulations of Bermuda, Hong Kong or the PRC or any political subdivision or any authority thereof.

Redemption for change of control

Upon the occurrence of certain events constituting a change of control of the Company (as defined in the Bonds) each holder of the Bonds will have the right to require the Company to redeem in whole but not in part such holder of the Bonds at 101% of their principal amount plus accrued and unpaid interest.

Reasons for the Bonds Issue and proposed use of proceeds

The Company is an investment holding company. 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 PRC that comprise theme parks, hotels, shopping and leisure facilities.

After deducting the commissions and other estimated expenses payable in connection with the offering, the Company intends to use the net proceeds from the Bonds Issue to repay certain existing debts and use the remainder for general corporate purposes.

Listing

The Company will seek a listing of the Bonds on the Stock Exchange. A confirmation of the eligibility of the listing of the Bonds has been received from the Stock Exchange for the issuance and listing of the Bonds by way of debt issues to professional investors only as described in the offering circular. Admission of the Bonds to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Bonds.

UPDATE INFORMATION ABOUT THE GROUP

In connection with the Bonds Issue, the Company will provide certain institutional investors with a summary description of material indebtedness regarding the Group, some of which has not previously been made public. Below is an extract of the summary of material indebtedness:

To fund the Company's operations and its working capital requirements, the Company has entered into financing agreements with various financial institutions. As of the date of this announcement, the Company's total external borrowings under all of its effective financing arrangements amount to HK\$6,108.5 million, including approximately HK\$5,833.5 million of external borrowings by the Company's PRC subsidiaries.

Subsidiary Loan Agreements

Certain of the Company's PRC subsidiaries have entered into loan agreements with various PRC banks and financial institutions. These loans have original terms ranging from 12 months to 36 months. As of the date of this announcement, the aggregate outstanding amount under these loans totals approximately RMB4,632.0 million, with RMB832.0 million due to mature within one year.

Interest

The principal amounts outstanding under these loans generally bear interest at fixed rates calculated by reference to the relevant bank's benchmark interest rate for such loans. Interest payments are payable on either monthly or quarterly basis and must be made on each payment date as provided in the particular loan agreement. As of the date of this announcement, the weighted average interest rate on the aggregate outstanding amount of the Company's loans is 11.02% per annum.

Guarantee and Security

Certain of the Company's PRC subsidiaries have entered into guarantee or security agreements with the PRC banks and financial institutions in connection with some of the loans, pursuant to which these subsidiaries have guaranteed all liabilities of the subsidiary borrowers under these loans. Further, as of the date of this announcement, RMB4,550 million of the loans are secured by land use rights, properties and/or equity interests held by the subsidiary borrowers and/or the Company's other PRC subsidiaries. As of the date of this announcement, RMB4,550 million of the loans are guaranteed personally by Mr. King Pak Fu.

2014 Term Loan Facility

In January 2014, the Company entered into a HK\$600,000,000 Term Loan Facility Agreement (the "2014 Term Loan Facility") with financial institutions arranged by Haitong International Finance Company Limited, an affiliate of the Haitong International. As of the date of this announcement, an aggregate principal amount of HK\$274,910,150.15 of the 2014 Term Loan Facility has been drawn down and remains outstanding. The loans under this facility have an original term of 24 months from their drawdown, which may be extended by an additional 12 months.

The Company will use a portion of its net proceeds to repay in full the loans outstanding under the 2014 Term Loan Facility. After such repayment, the 2014 Term Loan Facility will be terminated and cancelled.

As the conditions precedent to completion of the Subscription Agreement may or may not be satisfied and the Subscription Agreement may be terminated upon the occurrence of certain events, shareholders of the Company and prospective investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Bonds”	the RMB500,000,000 in aggregate principal amount of 11.5% bonds due 2016 to be issued by the Company subject to the terms and conditions of the Subscription Agreement
“Bonds Issue”	the issue of the Bonds by the Company
“Board”	the board of Directors
“Company”	Carnival Group International Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	shall have the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Haitong International”	Haitong International Securities Company Limited, the sole global coordinator and sole bookrunner in respect of the Bonds Issue
“HK\$”	Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Price”	100% of the principal amount of the Bonds, the price at which the Bonds will be sold
“JV Subsidiary Guarantors”	subsidiaries of the Company that will in the future provide limited- recourse guarantee for the Bonds
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)
“Regulation S”	Regulation S under the Securities Act
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Act”	the United States Securities Act of 1933, as amended
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the agreement dated 27 November 2014 entered into among the Company, the Subsidiary Guarantors and Haitong International in relation to the Bonds Issue
“Subsidiary Guarantors”	certain non-PRC subsidiaries of the Company which will provide guarantee in respect of the Bonds
“Trust Deed”	the trust deed to be entered into by the Company, the Subsidiary Guarantors and the trustee of the Bonds
“United States”	United States of America
“US\$”	United States dollar, the lawful currency of the United States
“%”	per cent

By order of the Board
Carnival Group International Holdings Limited
King Pak Fu
Chairman

Hong Kong, 27 November 2014

The Board, as at the date of this announcement, comprises Mr. King Pak Fu (Chairman), Mr. Leung Wing Cheong Eric (Chief Executive Officer) and Mr. Gong Xiao Cheng as executive Directors, and Mr. Chan Wai Yip Freeman, Ms. Leung Po Ying Iris and Ms. Hu Gin Ing as independent non-executive Directors.