
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Carnival Group International Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY AND NOTICE OF SPECIAL GENERAL MEETING

A notice convening the Special General Meeting of Carnival Group International Holdings Limited (the "Company") to be held at Suite 1801, 18th Floor, The Chinese Bank Building, 61-65 Des Voeux Road Central, Hong Kong, on Monday, 10 July 2017 at 10:30 a.m. is set out on pages 6 to 7 of this circular.

Whether or not you intend to attend and/or vote at the Special General Meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

23 June 2017

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

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| “Authorised Capital Increase” | the increase in the authorised share capital of the Company from HK\$5,000,000,000 divided into 25,000,000,000 Shares into HK\$10,000,000,000 divided into 50,000,000,000 Shares by the creation of an additional 25,000,000,000 unissued Shares |
| “Board” | the board of Directors |
| “Bye-Laws” | the bye-laws of the Company |
| “Company” | Carnival Group International Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange |
| “Director(s)” | director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “Latest Practicable Date” | 21 June 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “SGM” | the special general meeting of the Company to be convened for the purpose of approving the Authorised Capital Increase |
| “Share(s)” | ordinary shares of HK\$0.20 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the Shares |

DEFINITIONS

| | |
|------------------|------------------------------------------------------------------------------------------------------------------------|
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “HK\$” | Hong Kong dollar, the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China |
| “%” | per cent. |

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. King Pak Fu

(Chairman and Chief Executive Officer)

Mr. Gong Xiao Cheng

Mr. Wang Yikun

Mr. Tsai Tson *(also known as Steve Tsai)*

Registered Office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Independent Non-executive Directors:

Mr. Chan Wai Cheung Admiral

Mr. Lie Chi Wing

Ms. Hu Gin Ing

Headquarter and Principal Place

of Business in Hong Kong:

Units 2003 & 2005, 20/F

AIA Central

1 Connaught Road Central

Hong Kong

23 June 2017

To the Shareholders

Dear Sir or Madam,

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY

INTRODUCTION

The purpose of this circular is to provide you with details of the Authorised Capital Increase and a notice of SGM.

LETTER FROM THE BOARD

AUTHORISED CAPITAL INCREASE

As at the Latest Practicable Date, the Company has an authorised share capital of HK\$5,000,000,000 divided into 25,000,000,000 Shares and 17,177,728,468 Shares were in issue. Except as disclosed below, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares:

- i. convertible bonds in the outstanding principal amount of HK\$240,740,000, convertible into 300,925,000 Shares at the conversion price of HK\$0.80 (subject to adjustments);
- ii. convertible bonds in the outstanding principal amount of USD285,000,000, convertible into 1,754,107,141 Shares at the conversion price of HK\$1.26 (subject to adjustments); and
- iii. convertible bonds in the outstanding principal amount of HK\$390,000,000, convertible into 412,262,156 Shares at the conversion price of HK\$0.946 (subject to adjustments).

The Company proposes to increase its authorised share capital from HK\$5,000,000,000 divided into 25,000,000,000 Shares to HK\$10,000,000,000 divided into 50,000,000,000 Shares by the creation of an additional 25,000,000,000 unissued Shares.

CONDITION

The Authorised Capital Increase is conditional upon the passing of an ordinary resolution by the Shareholders by way of poll at the SGM. No Shareholder will be required to abstain from voting on the resolution approving the Authorised Capital Increase.

REASONS FOR THE AUTHORISED CAPITAL INCREASE

The Company reviews its financial position and capital needs from time to time and evaluates different fund-raising methods including rights issue, open offer, placing of shares, issue of convertible securities, etc. The Authorised Capital Increase will facilitate and offer greater flexibility for any future fund raising activities of the Company. As at the Latest Practicable Date, the Company has not entered into any definitive agreement in relation to issuing any part of the authorised capital proposed to be increased.

LETTER FROM THE BOARD

SPECIAL GENERAL MEETING

A notice convening the SGM of the Company is set out on pages 6 to 7 of this circular. A form of proxy for use at the SGM is also enclosed herewith. Whether or not you intend to attend and/or vote at the SGM in person, you are requested to complete the form of proxy and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the SGM or any adjournment thereof.

Completion and return of the form of proxy shall not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, the resolution set out in the notice of the SGM will be voted by poll.

RECOMMENDATION

The Directors are of the view that the Authorised Capital Increase is in the interest of the Company and the Shareholders as a whole and therefore recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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

NOTICE OF SPECIAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN THAT a Special General Meeting (“Meeting”) of Carnival Group International Holdings Limited (the “Company”) will be held at Suite 1801, 18th Floor, The Chinese Bank Building, 61-65 Des Voeux Road Central, Hong Kong on Monday, 10 July 2017 at 10:30 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution of the Company:

ORDINARY RESOLUTION

“**THAT** the authorised share capital of the Company be increased from HK\$5,000,000,000 divided into 25,000,000,000 shares of HK\$0.2 each (“Shares”) to HK\$10,000,000,000 divided into 50,000,000,000 Shares by the creation of an additional 25,000,000,000 unissued Shares and any one of the directors of the Company be and is hereby authorised to do all such acts and things and execute all such documents which he/she considers necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the increase in authorised share capital of the Company.”

By order of the Board of

Carnival Group International Holdings Limited

King Pak Fu

Chairman

Hong Kong, 23 June 2017

NOTICE OF SPECIAL GENERAL MEETING

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting convened by this notice shall be entitled to appoint proxy to attend and vote instead of him in accordance with the Bye-laws of the Company. A proxy need not be a member of the Company, but must be present in person to represent the member.
2. In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), seniority being determined by the order in which names stand in the register of members.
3. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for holding of the Meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should they so wish.
4. As at the date of this notice, the Board comprises Mr. King Pak Fu (Chairman and Chief Executive Officer), Mr. Gong Xiao Cheng, Mr. Wang Yikun and Mr. Tsai Tson (also known as Steve Tsai) as executive Directors, and Mr. Chan Wai Cheung Admiral, Mr. Lie Chi Wing and Ms. Hu Gin Ing as independent non-executive Directors.