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China Candy Holdings Limited
中國糖果控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 08182)

**UPDATE ON SUSPENSION OF TRADING,
DELAY IN PUBLICATION OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2017
AND POSTPONEMENT OF BOARD MEETING**

This announcement is made by the Company pursuant to Rule 17.10 of the Rules (“**the GEM Listing Rules**”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“**the Stock Exchange**”), and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“**the SFO**”).

Reference is made to the announcements of the Company dated 12 December 2017, 14 December 2017, 15 January 2018 and 5 February 2018 (“**the Announcements**”). Unless the context otherwise requires, the capitalised terms used herein shall have the same meanings as defined in the Announcements.

Further to the updates included in the Announcements, the Company wishes to provide further information on its recent development.

INDEPENDENT INVESTIGATION

Mazars Corporate Recovery & Forensic Services Limited (“**Mazars**”), independent forensic accountants, have been engaged by the Independent Investigation Committee to perform an Independent Investigation. The scope of work of the preliminary phase of the Independent Investigation includes the following:-

- (a) Gain a thorough understanding on the preliminary findings conducted so far;
- (b) Interview the relevant personnel as identified by the Company;
- (c) Collect and review supporting documents for the information obtained during such interviews, to the extent possible; and
- (d) Summarise the preliminary factual findings in the form of a written report.

As at the date of this announcement, the Independent Investigation is still in progress. In early February 2018, the Company's legal representative and Mazars (collectively, the **"Independent Investigation Team"**) had visited the Company's office located in Jinjiang, Mainland China, and had spoken to the key management personnel for the purpose of the Independent Investigation. The Independent Investigation Team also visited banks at Jinjiang which maintain bank accounts relevant to the Group (the **"Accounts"**), and had collected documents relevant to the Accounts including but not limited to bank transaction records, accounting records and other supporting documents for the purpose of the Independent Investigation.

While the Independent Investigation is still ongoing, the Company is given to understand that Mazars is already in the progress of preparing a draft preliminary investigation report on the Independent Investigation, which expected to be available by mid-April 2018. The Company appreciates that it is important to complete the Independent Investigation as soon as practicable, and will keep monitoring and assessing the progress of the Independent Investigation and make further announcement in due course. After the final investigation report on the Independent Investigation is issued, such report will be provided to the auditors of the Company, namely Zhonghui Anda CPA Limited (**"Zhonghui Anda"**), with a view to enabling them to complete the audit of the consolidated financial statements of the Group for the year ended 31 December 2017 (the **"2017 Annual Results"**). The findings and results of the Independent Investigation progress will have an effect on the preparation, finalisation and publication of the 2017 Annual Results.

DELAY IN PUBLICATION OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017 AND POSTPONEMENT OF BOARD MEETING

The Board announces that the Company will not be able to publish the announcement (the **"Results Announcement"**) in respect of the 2017 Annual Results on or before 31 March 2018 as the finalisation and completion of the audit of the 2017 Annual Results conducted by Zhonghui Anda would be affected by the issuance of the final investigation report on the Independent Investigation. The expected date of the publication of the Results Announcement will need to be further agreed with Zhonghui Anda. Accordingly, the Board meeting to approve the publication of the Results Announcement will be postponed to a date to be fixed by the Board and there will be a delay in the publication of the 2017 Annual Results. The Company will publish a further announcement in due course to inform the shareholders of the Company on the date of the release of the Results Announcement and the Board meeting.

The Board acknowledges that the delay in publication of the Results Announcement and the annual report within three months after the end of the financial year ended 31 December 2017 as required under Rules 18.48A and 18.49 of the GEM Listing Rules will constitute a non-compliance of the GEM Listing Rules.

CONTINUED SUSPENSION OF TRADING IN THE SHARES

Trading in the shares of the Company has been suspended since 9 a.m. on 12 December 2017 and will continue to be suspended until further notice. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares. The Company will keep the public informed of the latest developments by making further announcement(s) as and when appropriate.

By order of the Board
China Candy Holdings Limited
Ms. Yvonne Hung
Chairperson

Hong Kong, 12 March 2018

As at the date of this announcement, the executive Directors are Ms. Yvonne Hung, Ms. Hong Yinzhi and Mr. Yip To Chun; and the independent non-executive Directors are Mr. Chiu Sai Chuen Nicholas, Ms. Tsui Suk Man and Mr. Law Yiu Sing.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement 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 announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least seven days from the date of its publication and on the website of the Company at <http://www.hollywoodfood.com>.