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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)

**TERMINATION OF CONNECTED TRANSACTION
IN RELATION TO THE ACQUISITION OF 70% OF EQUITY INTEREST
OF YELLOW RIVER SECURITIES LIMITED**

Reference is made to the announcement of China Candy Holdings Limited (the “**Company**”) dated 19 September 2017 (the “**Announcement**”) in respect of the Sale and Purchase Agreement dated 19 September 2017 entered into between Sky City, a wholly-owned subsidiary of the Company, and the Vendor in relation to the acquisition of 70% equity interest of the Target Company. Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as defined in the Announcement.

TERMINATION AGREEMENT

On 14 December 2017, the parties to the Sale and Purchase Agreement entered into a termination agreement (the “**Termination Agreement**”) to terminate the Sale and Purchase Agreement with immediate effect.

As at the date of the Termination Agreement, Sky City has paid HK\$2,000,000 as deposit (the “**Deposit**”) to the Vendor, among which HK\$1,000,000 will be refunded by the Vendor to Sky City within 90 days from the date of the Termination Agreement and the remaining HK\$1,000,000 will be kept by the Vendor as liquidated damages and will not be refunded. Save for the Deposit, the Group has not made any payment to the Vendor and/or the Target Company under the Sale and Purchase Agreement. Upon execution of the Termination Agreement, neither party shall have any further rights or obligations under the Sale and Purchase Agreement except for accrued rights and obligations up to the date of the Termination Agreement.

Sky City decided not to proceed with the Acquisition due to the weak market sentiment of companies with small market capitalization, which has negative impact on small size securities companies, and agreed with the Vendor to enter into the Termination Agreement. The Board is of the view that the termination of the Sale and Purchase Agreement does not have material adverse impact on the business operations and financial position of the Group.

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

Hong Kong, 14 December 2017

As at the date of this announcement, the executive Directors are Ms. Yvonne Hung and Ms. Hong Yinzhi; 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 “Latest Company Announcements” page of the Stock Exchange’s website at www.hkexnews.hk for 7 days from the date of its posting. This announcement will also be posted on the Company’s website at www.holeywoodfood.com.